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2026-P00013A

AMENDMENT NO. 1

TO THE

ENERGY STORAGE SERVICES AGREEMENT

BETWEEN

PATTERN SANTA ISABEL STORAGE LLC

AND

THE PUERTO RICO ELECTRIC POWER AUTHORITY

IN RELATION TO

THE SANTA ISABEL BATTERY STORAGE PROJECT

This Amendment No. 1 to the Energy Storage Services Agreement (this "**Amendment**") is entered into as of April 7, 2026 (the "**First Amendment Execution Date**"), by and between the Puerto Rico Electric Power Authority ("**PREPA**") and Pattern Santa Isabel Storage LLC (the "**Resource Provider**"). PREPA and Resource Provider are herein individually referred to as a "**Party**" and collectively referred to as "**Parties**." All capitalized terms used in this Amendment and not otherwise defined shall have the meaning given to them in the Agreement (defined below).

RECITALS

WHEREAS, the Parties entered into that certain Energy Storage Services Agreement, dated July 25, 2025 (the "**Agreement**"); and

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WHEREAS, the Parties now desire to amend certain provisions of the Agreement in accordance with the terms of this Amendment,

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements set forth herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

SECTION A. Amendments

Each Party acknowledges and agrees that the Agreement is hereby amended to read as set out in Annex A to this Amendment, subject to the occurrence of the First Amendment Execution Date, unless the Resource Provider agrees otherwise in writing.

SECTION B. Representations and Warranties

1. PREPA hereby represents and warrants to Resource Provider that: (a) the execution and delivery by PREPA of this Amendment has been duly authorized by PREPA's Governing Board; and (b) this Amendment 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.

2. Resource Provider hereby represents and warrants to PREPA that: (a) the execution, delivery, and performance by Resource Provider of this Amendment (i) have been duly authorized, (ii) do not and will not require any additional internal consent or approval of Resource Provider and (iii) do not and will not violate any provision of Resource Provider'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 law, ordinance, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect; and (b) this Amendment is a legal, valid and binding obligation of Resource Provider, enforceable against Resource Provider in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of rights generally.

SECTION C. Terms and Conditions

1. The Parties acknowledge that:

   a. PREPA shall bear no additional costs, liability (other than a PREPA Risk Event), or delays in connection with the PREPA Interconnection Facilities or System Upgrades associated solely with the Project's capacity increase (from 50 MW to 100 MW);

   b. as set forth in Appendix F (*Compensation*) attached hereto, the interconnection recovery component of the Monthly Payment (i.e., the "CPPPIF") will continue to be based on the Project's original capacity of 50 MW; and

2. The effectiveness of this First Amendment is subject to:

   a. completion of a revised Facility Study and System Impact Study, as applicable, in each case at the Resource Provider's cost, and reasonably acceptable to the Resource Provider, demonstrating an impact on the Grid System reasonably acceptable to the T&D Operator, and clearly establishing the costs related to the Project's capacity increase (from 50 MW to 100 MW);[1]

   b. the execution of the Interconnection Agreement providing for the Project's capacity increase (from 50 MW to 100 MW) and to provide that Resource Provider will be responsible for payment of any costs of PREPA Interconnection Facilities or System Upgrades associated solely with such capacity increase;[2] and

[1] NTD: The revised Facility Study and System Impact Study are complete.
[2] NTD: It is expected that the amended Interconnection Agreement will be executed by the time this Amendment is executed.

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c. PREPA's approval of a revised Proposed Design and Appendix G (*Facility Site*), which approval shall not be unreasonably withheld, delayed or denied.

3. The Parties agree that if the conditions set forth in Paragraph 2 of this Section C are not satisfied on or before the date that is thirty (30) days after the date of this Amendment, for any reason other than the Resource Provider's failure to confirm that a study described in Paragraph 2(a) is acceptable, then the Guaranteed Commercial Operation Date shall be extended on a day-for-day basis.

SECTION D. Miscellaneous

1. Information for Controller's Office. PREPA will charge all payments that it owes under the Agreement, as amended by this Amendment, to PREPA's budget account number 01-4042-54710-050-668-0000 and estimates that its costs under the Agreement will not exceed $889,229,611. 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 Controller. This paragraph does not bind the Parties or modify any other provision of the Agreement.

2. Headings. The headings in this Amendment are for reference only and do not affect the interpretation of this Amendment.

3. No Implied Waiver. This Amendment shall be limited precisely as written and does not modify any provisions of the Agreement except as specifically amended above. This Amendment shall not be deemed to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Agreement, whether or not known to the Parties, or to prejudice any other right or rights which the Agreement may now have or have in the future.

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

5. Entire Agreement. The Parties intend the Agreement, as amended by this Amendment, as the final expression of their agreement and also as a complete and exclusive statement of the terms of their agreement with respect to the subject matter thereof that supersedes all prior written and oral understandings between the Parties with respect thereto.

6. Governing Law. This Amendment 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 21 (*Dispute Resolution*) of the Agreement.

[*Signatures appear on the following page.*]

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IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed by their respective officers as of the date first above written.

PUERTO RICO ELECTRIC POWER AUTHORITY

By: _____
Name: Mary C. Zapata Acosta
Title: Executive Director
Tax ID: 660-43-3747

PATTERN SANTA ISABEL STORAGE LLC

By: _____
DocuSigned by:
00212837E5444A3...
Name: Amy Smolen
Title: Vice President
Tax ID: 873-24-6260
Email:amy.smolen@patternenergy.com

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ENERGY STORAGE SERVICES AGREEMENT

BETWEEN

PUERTO RICO ELECTRIC POWER AUTHORITY

AND

PATTERN SANTA ISABEL STORAGE LLC

DATED AS OF April 7, 2026

Puerto Rico
Electric Power
Authority

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THIS ENERGY STORAGE SERVICES AGREEMENT (this "**Agreement**") is entered into as of this 7th day of April, 2026 (the "**Agreement Date**") between the **PUERTO RICO ELECTRIC POWER AUTHORITY** (including any successor thereto, "**PREPA**"), a public corporation and governmental instrumentality of the Commonwealth, created by Act of May 2, 1941, No. 83, as amended, represented in this act by its Executive Director, Mary C. Zapata Acosta, of legal age, married, engineer and resident of San Juan, Puerto Rico; and **PATTERN SANTA ISABEL STORAGE LLC** ("**Resource Provider**"), a Delaware limited liability company, authorized to do business in Puerto Rico, with its principal office at 1088 Sansome St., San Francisco, California 94111, and represented in this act by its Vice President, Amy Smolen, of legal age, married, and a resident of California, authorized to sign this Agreement on behalf of Resource Provider as certified by the Resolution dated October 7, 2024, PREPA and Resource Provider are herein individually referred to as a "**Party**" and collectively referred to as "**Parties**":

RECITALS

WHEREAS,

A. To procure renewable energy generation and energy storage services at sites across the island of Puerto Rico in accordance with the requirements of the Puerto Rico Energy Public Policy Act (Act 17-2019), the Puerto Rico Energy Diversification Policy through Sustainable and Alternative Renewable Energy Act (Act 82-2010), PREB's Final Resolution and Order on PREPA's Integrated Resource Plan in Case No. CEPR-AP-2018-0001 issued on August 24, 2020, and PREB's Resolution and Order on PREPA's Draft Procurement Plan in Case No. NEPR-MI-2020-012 issued on December 8, 2020, PREPA has conducted a competitive procurement process based upon its issuance of Request for Proposals No. 112648, Renewable Energy and Energy Storage Resources, Tranche 1 of 6, on February 22, 2021 (as amended, the "**RFP**") to select one or more developers to (i) design, construct, install, interconnect, test, commission, operate and maintain renewable energy generation, virtual power plants, and/or energy storage resources, and (ii) enter into agreement(s) with PREPA for the same;

B. Resource Provider, among other bidders, (i) submitted a proposal in response to the RFP on June 18, 2021 and separately submitted an on-demand letter of credit as security for Resource Provider's satisfaction of the requirements of the RFP (the "**Bid Security**") and (ii) desires to (a) develop, finance, construct, own, operate and maintain a 100 MW (400 MWh or equivalent) energy storage facility (the "**Project**"), (b) charge such facility exclusively from the Grid System, and (c) sell and make available exclusively to PREPA Energy Storage Services and Green Credits of/from such facility in accordance with this Agreement; and

C. PREPA (i) selected Resource Provider as one of the preferred bidders following the submission and evaluation of all proposals, and (ii) desires to purchase Energy Storage Services and Green Credits of/from such facility in accordance with this Agreement;

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

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1. DEFINITIONS & INTERPRETATION

1.1 Definitions

In this Agreement:

"**AC**" means alternating electrical current.

"**Act 29**" means Act No. 29 of the Legislative Assembly of Puerto Rico, enacted on June 8, 2009.

"**Actual Efficiency**" has the meaning set forth in paragraph (b) of Section 3 (*Efficiency*) of Appendix P (*Performance Guarantee*).

"**Additional Costs**" has the meaning set forth in paragraph (a) of Section 17.1 (*Change in Law*).

"**Adjusted Duration Energy**" means the lower of the latest Tested Duration Energy and the applicable Degraded Duration Energy.

"**Affected Party**" has the meaning set forth in Section 14.1 (*General*).

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls (*e.g.*, a parent or grandparent company), is Controlled by (*e.g.*, a subsidiary company), or is under common Control (*e.g.*, a sister company) with, such Person.

"**Agreement**" has the meaning set forth in the preamble of this Agreement.

"**Agreement Date**" has the meaning set forth in the preamble of this Agreement.

"**Agreement Year**" means each period of twelve (12) consecutive Months, provided that (i) the first such period shall begin on the Commercial Operation Date, (ii) each subsequent year shall begin on the corresponding anniversary of the Commercial Operation Date, and (iii) the last such period shall expire at the end of the Supply Period.

"**Ancillary Services**" means any services required by the MTRs or otherwise capable of being made available to the Grid System by the Facility from time to time, including automatic generation control, 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, as applicable.

"**Annual C^{max} Degradation Rate**" means the Annual C^{max} Degradation Rate set forth in Appendix J (*Operating Characteristics*).

"**Annual Degradation Rates**" means the Annual C^{max} Degradation Rate, the Annual D^{max} Degradation Rate, the Annual Duration Energy Degradation Rate, and the Annual Storage Degradation Rate.

"**Annual D^{max} Degradation Rate**" means the Annual D^{max} Degradation Rate set forth in Appendix J (*Operating Characteristics*).

"**Annual Duration Energy Degradation Rate**" or "**ADDR**" means the rate (expressed as a percentage) on an annual basis at which the quantity of Design Duration Energy will decline as a

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result of degradation during each Agreement Year as set forth in Appendix J (*Operating Characteristics*).

"**Annual Storage Degradation Rate**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Applicable Law**" or "**Law**" means, with respect to any Person, any constitution, bilateral or multilateral 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, or interpretation of any of the foregoing, by any judicial authority, which legally binds such Person or its property whether in effect as of the Agreement Date or thereafter.

"**Applicable Standards**" means the MTRs, the DCDs, any other applicable PREPA standards that PREPA has made available or identified to Resource Provider as applicable to Resource Provider's performance of its obligations under this Agreement, and any other codes, standards, or requirements set forth in any Applicable Law, including any applicable federal, state or local code, the latest standards of the Institute of Electrical and Electronic Engineers (IEEE), National Electrical Manufacturer's Association (NEMA), American Concrete Institute (ACI), American National Standards Institute (ANSI), International Code Council Code (ICC), National Fire Protection Association and the North American Electric Reliability Corporation (NERC), as well as the latest editions of the National Electrical Code and the National Electrical Safety Code (NESC), to the extent not inconsistent with the foregoing, in each case as modified from time to time.

"**Approved Design**" has the meaning set forth in paragraph (c) of Section 4.1 (*Proposed Design*).

"**Arbitration Rules**" has the meaning set forth in paragraph (a) of Section 21.5 (*Arbitration*).

"**Arbitrator**" has the meaning set forth in paragraph (a) of Section 21.5 (*Arbitration*).

"**Availability Liquidated Damages**" or "**ALD**" has the meaning set forth in paragraph (b) of Section 1 (*Facility Availability*) of Appendix P (*Performance Guarantee*).

"**Balance**" has the meaning set forth in paragraph (b) of Section 17.2 (*Tracking Account*).

"**Bid Security**" has the meaning set forth in Recital B in the preamble of this Agreement.

"**Billing Period**" means a Month, provided that (i) the first such period shall begin on the Initial Synchronization Date and end on the final Day of the Month in which the Initial Synchronization Date occurs, and (ii) the last such period shall begin on the first Day of the Month in which the Supply Period will expire and end on final Day of the Supply Period.

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

"**Business Day**" means a Day other than (i) a Saturday, a Sunday or a Day on which commercial banks in San Juan, Puerto Rico are required or authorized to close, or (ii) any other Day recognized as a holiday by PREPA as listed on Appendix A (*Holidays*) hereto or notified to Resource Provider from time to time.

"**Capability**" means the D^{max}, C^{max}, and the Maximum Storage Energy which the Facility can achieve or make available.

"**Capability Liquidated Damages**" or "**CLD**" has the meaning set forth in paragraph (b) of Section 2 (*Capability*) of Appendix P (*Performance Guarantee*).

"**Capability Payment Price**" or "**CPP**" has the meaning set forth in of Section 2 (*Monthly Fixed Payment*) of Appendix F (*Compensation*).

"**Capability Shortfall Liquidated Damages**" has the meaning set forth in item (2), paragraph (b) of Section 5.3 (*Initial Performance Tests*).

"**CGL**" has the meaning set forth in paragraph (c) of Section 18.3 (*Contractor Requirements*).

"**Change in Law**" means any of the following events or conditions occurring on or after the Resource Provider Execution Date that has had, or is reasonably expected to have, a material adverse effect on the performance or the cost of performance by the Parties of their respective obligations under this Agreement (other than payment obligations), or on the construction, operation or maintenance of the Facility:

a. the adoption, promulgation or issuance of a modification or written change in the Applicable Law or the administrative or judicial interpretation thereof, unless such modification or written change was duly adopted, promulgated or issued in final form prior to the Resource Provider Execution Date and becomes effective without any further action by any Governmental Authority;

b. any order or judgment of any Governmental Authority to the extent such order or judgment is not the result of willful misconduct or negligent action or omission or lack of reasonable diligence of the Party claiming the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such willful misconduct or negligent action or omission of, or lack of reasonable diligence by, the Party; or

c. the denial of an application for, the material delay in the review, issuance or renewal of, or the suspension, termination, interruption, imposition of a new condition in connection with, the issuance, renewal or the failure of issuance or renewal of any governmental approval to the extent that such denial, delay, suspension, termination, interruption, imposition of a new condition or failure (A) interferes in any material respect with the performance of this Agreement, and (B) is not the result of willful misconduct or negligent action or omission or a lack of reasonable diligence of the Party claiming the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such denial, delay, suspension, termination, interruption, imposition of a new condition or failure shall not be construed as such willful misconduct or negligent action or omission of, or lack of reasonable diligence by, the Party.

provided that "Change in Law" shall not include (x) the imposition of a Tax, or an increase in Taxes, unless the imposition or increase has a materially disproportionate impact on any of Resource Provider or private resource providers of solar facilities in the Commonwealth or Contractors (as defined in Act 29) compared to any other entities that operate in the power and electricity sector in the Commonwealth; or (y) the delay or denial of any request to approve performance relief, except where arising out of the Title III Case.

"**Change in Regulatory Law**" means any change, amendment or modification to any Commonwealth Applicable Law (and not, for the avoidance of doubt, the Applicable Law of any

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other jurisdiction) or any adoption of, or change to, any administrative or judicial interpretation (having the force of law) of any Commonwealth Applicable Law or any regulation promulgated or regulatory action taken under any Commonwealth Applicable Law, in each case occurring on or after the Resource Provider Execution Date, that:

a. alters the scope of PREB's statutory oversight over Resource Provider or PREPA in a manner that materially and adversely affects Resource Provider's ability to perform its obligations under this Agreement;

b. renders unenforceable or invalid, in whole or in part, any material right or privilege granted to Resource Provider under this Agreement, including by invalidating Resource Provider's selection under the RFP;

c. subjects Resource Provider to rate or other substantive regulation by PREB in a manner that materially and adversely affects Resource Provider's ability to perform its obligations under this Agreement to the extent not otherwise mitigated by the terms of this Agreement, and such effect continues unremedied for a period of one hundred eighty (180) days following such written notice; or

d. caps or has the effect of capping rates charged to customers in respect of purchased power, and the effects are to prevent PREPA from fulfilling its obligations under this Agreement.

"**Charge Duration**" means the period of time required for the Facility to increase the State of Charge from zero percent (0%) to one hundred percent (100%) when charging at C^{max} as evidenced by Performance Tests.

"**Charge Energy**" or "**CE**" means, for any period of time, the Energy drawn by the Facility from the Grid System for storage and discharge at a later time while operating in Charge Mode (expressed in MWh during such period) as measured by the Main Meters, net of Station Use.

"**Charge Mode**" means the mode of operation whereby the Facility increases the State of Charge by accepting Charge Energy at the Interconnection Point.

"**Charge Notice**" means the operating instruction and any subsequent updates given by PREPA to Resource Provider, directing the Facility to charge from the Grid System at a specific rate to a specified Stored Energy Level.

"**Claims**" means all claims, actions, suits, demands, or proceedings brought by any Person for liabilities, judgments, losses, costs (including court costs, reasonable attorneys' fees, and costs of investigation), fines, penalties, expenses, and damages of whatsoever kind or nature, arising in contract, tort, or otherwise.

"C^{max}" means the maximum steady-state power capacity (expressed in MW) that the Facility can continuously take in to increase the State of Charge from zero percent (0%) to one hundred percent (100%), measured by the Main Meters at the Interconnection Point.

"**C^{max} Duration**" means the amount of time the Facility is able to charge at C^{max}.

"C^{min}" means the minimum steady-state power capacity (expressed in MW) that the Facility can continuously take in to increase the State of Charge, below which the Facility cannot charge on a sustained basis as measured by the Main Meters at the Interconnection Point.

"**Closing Date**" has the meaning set forth in paragraph of Section 2.3 (*Initial Effectiveness, Closing Date & Conditions Subsequent*).

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"**COD Termination Event**" means the occurrence of the Long-Stop Date prior to the Commercial Operation Date.

"**Commercial Operation**" means satisfaction of the requirements set forth in a certificate issued by Resource Provider in accordance with paragraph (e) of Section 5.3 (*Initial Performance Tests*) in a form substantially similar to that set forth in Appendix U (*Form of Commercial Operation Date Certificate*).

"**Commercial Operation Date**" means the date on which Resource Provider first achieves Commercial Operation.

"**Commonwealth**" means the Commonwealth of Puerto Rico.

"**Conditions Subsequent**" has the meaning set forth in paragraph (b) of Section 2.3 (*Initial Effectiveness, Closing Date & Conditions Subsequent*).

"**Conditions Subsequent Deadline**" has the meaning set forth in paragraph (b) of Section 2.3 (*Initial Effectiveness, Closing Date & Conditions Subsequent*).

"**Construction Start**" means satisfaction of all requirements set forth in a certificate issued by Resource Provider in the form set forth in Appendix T (*Form of Construction Start Date Certificate*).

"**Construction Start Date**" means the date on which Resource Provider achieves Construction Start, as evidenced by a certificate issued by Resource Provider to PREPA in a form substantially similar to that set forth in Appendix T (*Form of Construction Start Date Certificate*).

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"**Construction Start Termination Event**" means Resource Provider's failure to achieve the Construction Start Date by the Guaranteed Construction Start Date, other than in cases where Resource Provider can reasonably demonstrate to PREPA that Resource Provider can achieve the Commercial Operation Date on or before the Guaranteed Commercial Operation Date.

"**Control**" means (i) the ownership (whether directly or indirectly) of more than fifty percent (>50%) of the total issued voting share capital or other voting interest of that company or corporation, or (ii) the ability to unilaterally appoint a majority of the board directors or equivalent body of that company or corporation through the ownership of securities with voting power or otherwise, without the need of the vote or approval of another, or (iii) the ability to unilaterally direct the business affairs and/or operations of that company or corporation, without the need of the vote or approval of another; and the terms "**Controls**," "**Controlled**," and "**Controlling**" shall have a corresponding meaning, provided that if two (2) shareholders each own fifty percent (50%) of the total issued and outstanding shares of a corporation, then neither shareholder controls such corporation.

"**COR3**" means the Central Recovery and Reconstruction Office of Puerto Rico.

"**Critical Project**" has the meaning set forth in Title V of PROMESA.

"**Day**" means a period of twenty-four (24) consecutive hours, beginning at 00:00 hours on any Gregorian calendar day and ending at 24:00 hours on such day Puerto Rico time.

"**DC**" means direct electrical current.

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"**Deemed Completion**" means the occurrence of each of the following events: (i) the completion of the installation of the Facility in all material respects (other than punch list items), and (ii) a delay of the commencement of the Initial Performance Tests, or interruption of an ongoing Initial Performance Tests, for a period of at least fifteen (15) consecutive Days as determined under Section 3.4 (*Extensions of Time*), as a result of a PREPA Risk Event, provided that Resource Provider delivers to PREPA a certificate, co-signed by the Independent Expert, certifying (A) the truth and correctness of each of the foregoing events, and (B) the date on which Resource Provider would have achieved Commercial Operation but for the occurrence of the PREPA Risk Event(s).

"**Default**" means a Resource Provider Default or a PREPA Default.

"**Degraded Duration Energy**" or "**DDE**" means, for each Agreement Year, the Design Duration Energy (expressed in MWh) (i) adjusted downward for such year as reflected in the column entitled "Degraded Duration Energy (MWh)" in the table appearing under the heading "Degradation" in Section III (Operational Characteristics) of Appendix J (*Operating Characteristics*), and (ii) adjusted upward as demonstrated by the Performance Tests following maintenance or technology upgrades contemplated by the final sentence of Section 4.7 (*Facility Upgrades*), but not to exceed the Design Duration Energy.

"**Delayed Party**" has the meaning set forth in paragraph (a) of Section 3.4 (*Extensions of Time*).

"**Derating**" means Resource Provider's inability or failure, in whole or in part, to (i) make Discharge Energy at D^{max} available at the Interconnection Point (including any partial unavailability), or (ii) accept Charge Energy at C^{max} at the applicable Charge Point, in each case for any reason (including Resource Provider's failure to deliver Charge Energy as required by this Agreement) other than in the case of an Outage.

"**Designated Person**" has the meaning set forth in paragraph (a) of Section 21.3 (*Negotiation*).

"**Design Capability**" means Design D^{max}, Design C^{max}, and Design Storage Energy.

"**Design Charge Duration**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design Charge Energy**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design C^{max}**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design C^{max} Duration**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design C^{min}**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design D^{max}**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design D^{max} Duration**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design Discharge Duration**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design D^{min}**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Design Duration Energy**" means the Discharge Energy that the Facility can deliver when discharging at the Design D^{max} during the Design D^{max} Duration following charging from zero

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percent (0%) State of Charge to one hundred percent (100%) State of Charge during the Design Charge Duration, as set forth in Appendix J (*Operating Characteristics*).

"**Design Storage Energy**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Development Abandonment**" means the permanent cessation after the Closing Date and prior to the Commercial Operation Date by Resource Provider of the development and construction of the Facility being installed by Resource Provider, as evidenced by Resource Provider's or its construction contractors' personnel having withdrawn from the Site (unless Resource Provider demonstrates otherwise) and Resource Provider having otherwise ceased development and construction activities related to the Facility for more than one hundred twenty (120) consecutive Days for any reason other than as a result of Force Majeure affecting Resource Provider or a PREPA Risk Event.

"**Discharge Duration**" means the shortest period of time required by the Facility to reduce the State of Charge from one hundred percent (100%) to zero percent (0%) when discharging at D^{max} as evidenced by the Performance Tests.

"**Discharge Energy**" or "**DE**" means, for any period of time, the Energy delivered by the Facility at the Interconnection Point, while operating in Discharge Mode (expressed in MWh) during such period, as measured in accordance with Section 8.4 (*Meter Reading*).

"**Discharge Mode**" means the mode of operation whereby the Facility decreases the State of Charge by delivering Discharge Energy to, or making available Ancillary Services at, the Interconnection Point.

"**Disclosing Party**" has the meaning set forth in paragraph (a) of Section 12.9 (*Confidentiality*).

"**Dispatch Notice**" means the operating instruction and any subsequent updates given by PREPA (directly or through the SCADA system) to Resource Provider, directing the Facility to operate in Discharge Mode at a specified megawatt output.

"**Dispute**" has the meaning set forth in Section 21.1 (*Scope of the Dispute Resolution Provisions*).

"**Dispute Notice**" has the meaning set forth in paragraph (a) of Section 21.2 (*Commencement of the Dispute Resolution Procedure*).

"**Dispute Resolution Procedure**" has the meaning set forth in Section 21.1 (*Scope of the Dispute Resolution Provisions*).

"**D^{max}**" means the maximum quantity of steady-state power capacity (expressed in MW) that the Facility can continuously deliver as Discharge Energy at the Interconnection Point to reduce the State of Charge from one hundred percent (100%) to zero percent (0%), as evidenced by the Performance Tests.

"**D^{max} Duration**" means the duration of time during which the Facility can continuously deliver Discharge Energy at D^{max} on a sustained basis to the Interconnection Point.

"**D^{min}**" means the minimum steady-state power capacity (expressed in MW) that the Facility can continuously deliver below which the Facility cannot discharge on a sustained basis, measured by the Main Meters at the Interconnection Point.

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"**DOE Funding**" has the meaning set forth in paragraph (b) of Section 9.6 (*Improvement in Financial Conditions*).

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

"**DSM**" has the meaning set forth in Section 2.0 of Appendix L (*Operating Procedures*).

"**Efficiency Liquidated Damages**" or "**ELD**" has the meaning set forth in paragraph (c) of Section 3 (*Efficiency*) of Appendix P (*Performance Guarantee*).

"**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) or the Facility, which has resulted in, or will likely result in, imminent significant disruption of service to a significant number of customers or likely endangers life or property.

"**Energy**" means three-phase, 60-cycle AC electric energy, measured in MWh.

"**Energy Storage Services**" means, collectively or individually, the acceptance of Charge Energy at the Facility, the storing of Energy in the Facility, and the delivery of Discharge Energy from the Facility at the Interconnection Point, all in accordance with the terms of this Agreement.

"**Environmental Costs**" means any and all fixed and variable costs incurred by Resource Provider as the owner or operator of the Facility imposed or assessed by a Governmental Authority applying Environmental Law.

"**Environmental Law**" means (i) any law, statute, ordinance, code, rule, regulation, order, writ, injunction, decree, ruling, determination, award, standard, permit or variance of any Governmental Authority, or any binding agreement with any Governmental Authority, and (ii) any consent order or decree, settlement agreement or other similar agreement between PREPA and the Puerto Rico Department of Natural and Environmental Resources, EPA or other relevant Governmental Authority, in each case having the force of law and applicable from time to time, relating to (A) the conservation, protection, pollution, contamination or remediation of the environment or natural resources, (B) any hazardous material, including investigation, study, remediation or abatement of such hazardous material, (C) the storage, treatment, disposal, recycling or transportation of any hazardous material, or (D) human health or safety.

"**EPA**" means the United States Environmental Protection Agency.

"**Equity**" means any (i) capital paid in cash or caused to be paid in cash to Resource Provider by or on behalf of Resource Provider's Shareholders or their Affiliates for shares or membership interests in Resource Provider or (ii) shareholder loans to Resource Provider that by their terms are subordinated to any indebtedness for borrowed money incurred by Resource Provider under Financing Documents.

"**Equity Transfer**" has the meaning set forth in paragraph (a) of Section 19.4 (*Restrictions on Equity Transfers*).

"**Exceptions**" means liability arising from:

a. Resource Provider's fraud, willful misconduct or gross negligence;

b. Resource Provider's indemnity obligation under Section 13.1 (*General*) for personal injury or death of a third party;

c. Resource Provider's indemnity obligation under Section 13.3 (*Claims Arising From Environmental Harm*); or

d. Resource Provider's obligation to pay/provide credit for Liquidated Damages under this Agreement.

"**Expedited Permitting Process**" means either (i) the permitting process for Critical Projects set forth in Title V of PROMESA or (ii) the expedited permitting process established under Act 76-2000.

"**Facility**" means the energy storage facility known as Santa Isabel Storage, located at the Site and capable of accepting Charge Energy and delivering Discharge Energy and Ancillary Services at the Interconnection Point, including Resource Provider Interconnection Facilities and any integrated generation system, capacity expansion, or other upgrades to such energy storage facility from time to time, as further described in Appendix J (*Operating Characteristics*).

"**Facility Availability**" or "**FA**" has the meaning set forth in paragraph (b) of Section 4 (*Facility Availability*) of Appendix F (*Compensation*).

"**Facility Availability Adjustment**" or "**FAA**" has the meaning set forth in paragraph (a) of Section 4 (*Facility Availability*)of Appendix F (*Compensation*).

"**Facility Construction Contract**" means the primary contract for the construction of the Facility entered into between Resource Provider and one or more contractors.

"**Facility Study**" means, for each proposal selected by PREPA for phase III evaluation and contract negotiation of proposals under the RFP, an engineering study to determine required additions or modifications to the Grid System, including the cost and scheduled completion date for such additions or modifications that would be required to provide grid support services needed to integrate the Facility into the Grid System.

"**Feasibility Study**" means, for each proposal selected by PREPA for phase II project committee review and recommendation under the RFP, a study of the feasibility of such proposal, including the interconnection of the Facility with the Grid System.

"**Financing Documents**" means any and all loan agreements, notes, bonds, indentures, security agreements, direct agreements, assignments and acknowledgements, registration or disclosure statements, subordination agreements, mortgages, deeds of trust, credit agreements, intercreditor agreements, note or bond purchase agreements, hedging agreements, participation agreements other documents entered into by Resource Provider (or by any entity that directly or indirectly owns the Resource Provider) relating to the financing of the Facility and/or the refinancing thereof provided by any Project Lender, including any modifications, supplements, extensions, renewals and replacements of any such financing or refinancing.

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

"**FOMB Certification**" has the meaning set forth in paragraph (a) of Section 16.3 (*Certain Material Breaches*).

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"**Force Majeure**" has the meaning set forth in Article 14 (*Force Majeure*).

"**Force Majeure Waiting Period**" means, for each Agreement Year, seven hundred twenty (720) hours.

"**Full Duty Cycle**" means the operation of the Facility in Discharge Mode during the Discharge Duration immediately followed by the operation of the Facility in Charge Mode for the Charging Duration.

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

"**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, including FOMB and PREB, but excluding PREPA.

"**Green Credits**" means "renewable energy certificates" and "environmental and social attributes," as defined in the Green Energy Incentives Act of Puerto Rico (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, which are now or in the future may be available to the Facility, as a facility that generates or produces electricity by means of "green energy" (as defined in Act No. 83 of July 19, 2010), or from renewable or non-polluting resources, granted or available to Resource Provider 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 Act No. 83 of July 19, 2010, but shall exclude (i) any Tax Credits and grants in lieu thereof, (ii) other tax incentives, benefits or credits, including those available under Puerto Rico Act 60-2019, (iii) any accelerated depreciation, and (iv) proceeds from (i) through (iii), in each case, associated with the Facility or otherwise available to Resource Provider, each of which (i) through (iii) Resource Provider expressly reserves.

"**Grid System**" means the interconnected network of high voltage transmission lines, low voltage distribution lines, and associated electric substations owned by PREPA (including the PREPA Interconnection Facilities after completion), located on PREPA's side of the Interconnection Point, which transmit and distribute electricity to customers in the Commonwealth.

"**Grid System Event**" means any condition in the Grid System or act or omission of PREPA or T&D Operator that (i) prevents or impairs PREPA from making, or pursuant to which PREPA elects not to make, Charge Energy available at the Interconnection Point while the facility operates in Charge Mode, or (ii) prevents or impairs PREPA from taking, or pursuant to which PREPA elects not to take, delivery of Discharge Energy or Ancillary Services made available by Resource Provider at the Interconnection Point while the Facility operates in Discharge Mode, including (a) any curtailment, reduction, or disconnection instructions issued by PREPA in a Dispatch Notice or Charge Notice issued by PREPA (or otherwise) for any reason, including as a result of low demand for electricity in the Commonwealth of Puerto Rico and including any instruction from T&D Operator preventing Resource Provider from reconnecting, or (b) any condition in the Grid System (including an Emergency affecting such system) that causes or may cause physical damage to the Facility or life endangerment and any damage to or the tripping of protection relays installed in the Facility with settings as instructed by PREPA, but in each case excluding (A) any such event

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resulting from Force Majeure affecting Resource Provider or a PREPA Risk Event pursuant to paragraphs (a), (c), (d) and (e) of such definition and (B) any curtailment or reduction of the Net Power Output, or disconnection of, the Facility, in accordance with Section 7.2 (Curtailment for Breach).

"**Grid System Waiting Period**" means, for each Agreement Year, eighty (80) hours.

"**Guaranteed Capability**" or "**GC**" has the meaning set forth in paragraph (a) of Section 2 (*Capability*) of Appendix P (*Performance Guarantee*).

"**Guaranteed Commercial Operation Date**" means March 31, 2028, as adjusted in accordance with Section 3.4 (*Extensions of Time*).

"**Guaranteed Construction Start Date**" means the date for Construction Start that corresponds to the occurrence time listed in the Milestone Schedule, as adjusted in accordance with Section 3.4 (*Extensions of Time*).

"**Guaranteed Efficiency**" or "**GE**" means a guaranteed measure stated as the ratio of the Discharge Energy to Charge Energy of the Facility (expressed as a percentage) during a Billing Period, as set forth in Appendix J (*Operating Characteristics*).

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

"**IF Completion Notice**" has the meaning set forth in paragraph (c) of Section 4.4 (*Pre-Synchronization Testing*).

"**Indemnitees**" means, with respect to either PREPA or Resource Provider, (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.

"**Indemnifying Party**" has the meaning set forth in Section 13.1 (*General*).

"**Independent Expert**" has the meaning set forth in Section 3.1 (*Independent Expert*).

"**Initial Performance Tests**" has the meaning set forth in paragraph (a) of Section 5.3 (*Initial Performance Tests*).

"**Initial Synchronization**" means the first time that Resource Provider synchronizes the Facility with the Grid System.

"**Initial Synchronization Date**" means the date on which Initial Synchronization occurs.

"**Insolvency Event**" means any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding with respect to a Party or any of its respective properties, or any action taken by any trustee or receiver of a Party or by any court in any such proceeding (other than the current Title III Case), in each case initiated at any time after the Agreement Date.

"**Intangible Assets**" shall mean the total amount of goodwill, patents, trade names, trade or service marks, copyrights, experimental expense, organization expense, unamortized debt discount and

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expense, the excess of cost of shares acquired over book value of related assets, and such other assets as are properly classified as "intangible assets" of the entity determined in accordance with GAAP.

"**Interconnection Agreement**" means the Interconnection Agreement dated [•] entered into between Resource Provider, as Interconnection Customer, and PREPA, as Owner, represented by LUMA Energy ServCo, LLC, which sets out the terms upon which the Facility will connect and remain connected to the Grid System.

"**Interconnection Facilities**" means the PREPA Interconnection Facilities and the Resource Provider Interconnection Facilities.

"**Interconnection Point**" means the physical point at which the Facility connects to the Grid System, as specified in Section 1 (*Description of the Interconnection Facilities*) of Appendix H (*Interconnection Description and Specifications*).

"**Interest**" means the compensation for the accrual of monetary obligations under this Agreement computed Monthly and prorated daily from the time each such obligation becomes past due based on an annual interest rate equal to the lesser of: (i) (a) for payments made during the first five (5) Days after such a payment becomes 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 (b) for payments made beginning on the sixth (6^{th}) Day after such a payment is due, the Prime Rate plus five percent (5%); and (ii) the maximum rate allowable under Article 1169 of the Puerto Rico Civil 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 action, suit or proceeding materially impairs the ability of PREPA to perform its obligations hereunder or delays the development, financing, construction or operation of the PREPA Interconnection Facilities.

"**Liquidated Damages**" means, collectively, Capability Shortfall Liquidated Damages, Resource Provider Delay Liquidated Damages, Availability Liquidated Damages, Capability Liquidated Damages, and Efficiency Liquidated Damages.

"**Long-Stop Date**" means the earlier to occur of (i) the first date on which accrued Resource Provider Delay Liquidated Damages (determined without reference to the operation of paragraph (c) of Section 3.5 (*Delay Liquidated Damages*)) exceed the Security Amount, and (ii) the one hundred eightieth (180th) Day after the Guaranteed Commercial Operation Date.

"**Main Meters**" has the meaning set forth in paragraph (a) of Section 8.1 (*Meter Ownership & Maintenance*).

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"**Malware**" means computer software, code or instructions that: (i) intentionally, and with malice intent by a third party, adversely affect the operation, security or integrity of a computing, telecommunications or other digital operating or processing system or environment, including other programs, data, databases, computer libraries and computer and communications equipment, by altering, destroying, disrupting or inhibiting such operation, security or integrity; (ii) without functional purpose, self-replicate written manual intervention; (iii) purport to perform a useful function but which actually performs either a destructive or harmful function, or perform no useful function other than utilize substantial computer, telecommunications or memory resources with the intent of causing harm; or (iv) without authorization collect and/or transmit to third parties any information or data, including such software, code or instructions commonly known as viruses, trojans, logic bombs, worms, adware and spyware.

"**Maximum Storage Energy**" means the quantity (expressed in MWh) of Energy which the Facility makes available at the Interconnection Point while operating in Discharge Mode from one hundred percent (100%) State of Charge to zero percent (0%) State of Charge.

"**Milestone**" means any of the milestone events set out in the column captioned "*Milestone*" in the table set forth in the Milestone Schedule.

"**Milestone Schedule**" means the schedule set out in Appendix D (*Milestone Schedule*).

"**Minimum Acceptance Capability**" has the meaning set forth in item (2), paragraph (b) of Section 5.3 (*Initial Performance Tests*).

"**Minimum Down Time**" means the amount of time that the Facility must stay off-line after a shutdown prior to the next Start-Up, as further described in Appendix J (*Operating Characteristics*).

"**Minimum Run Time**" means the amount of time that the Facility must stay synchronizing with the Grid System after a Start-Up prior to a subsequent shutdown, as further described in Appendix J (*Operating Characteristics*).

"**Modification Limit**" means nine hundred and fifty thousand dollars ($1,900,000), representing one percent (1.0%) of Resource Provider's total estimated cost for the construction, testing, and commissioning of the Facility as of the Agreement Date.

"**Month**" means a calendar month, which shall begin at 00:00 on the first Day of such calendar month and end at 00:00 on the first Day of the next calendar month.

"**Monthly Contract Capability**" or "**MCC**" has the meaning set forth in Section 3 (*Monthly Contract Capability*) of Appendix F (*Compensation*).

"**Monthly Fixed Payment**" or "**MFP**" has the meaning set forth in Section 2 (*Monthly Fixed Payment*) of Appendix F (*Compensation*).

"**Monthly Payment**" has the meaning set forth in Section 1 (*Monthly Payment*) of Appendix F (*Compensation*).

"**MTRs**" means the minimum technical requirements applicable to the Facility for connection of the Facility to the Grid System set forth in Appendix K (*Minimum Technical Requirements*), as

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PREPA may modify or replace from time to time after the Agreement Date in accordance with Section 4.2 (*Modifications*).

"**MW**" means megawatt.

"**MWh**" means megawatt-hour.

"**Natural Force Majeure**" means any event of Force Majeure other than a Political Force Majeure.

"**Negotiation Period**" has the meaning set forth in paragraph (a) of Section 21.3 (Negotiation).

"**Non-Affected Party**" has the meaning set forth in paragraph (d) of Section 14.1 (*General*).

"**Non-Refundable Fee**" means a non-refundable fee of two hundred forty thousand nine hundred dollars and zero cents ($240,900.00), which (i) partially offsets PREPA's cost to conduct a System Impact Study and a Facility Study of all proposals in the RFP process, including the proposal submitted by Resource Provider in response to the RFP, and (ii) was determined by dividing the total cost of such studies proportionally among the proposals expected at such time to result in a fully effective agreement with PREPA based on the kW capacity of such proposals.

"**Non-Scheduled Derating**" means any Derating other than a Scheduled Derating.

"**Non-Scheduled Outage**" means any Outage other than a Scheduled Outage.

"**OMA**" means the Operation and Maintenance Agreement, dated 22 June 2020, among PREPA, P3A, LUMA Energy LLC and LUMA Energy Servco LLC.

"**Operating Characteristics**" has the meaning set forth in Appendix J (*Operating Characteristics*).

"**Operating Day**" means a Day within the Supply Period on which the Facility operates.

"**Operating Procedures**" means the procedures for the Facility's operation and integration into the Grid System, as set out in Appendix L (*Operating Procedures*), as amended from time to time.

"**Other Minimum Acceptance Criteria**" means, collectively, the MTRs, Operating Characteristics, and any other criteria set out in the Testing Protocol and Operating Procedures.

"**Outage**" means, for any period of time, Resource Provider's failure or inability to make available Energy Storage Services at the Interconnection Point for any reason (including Resource Provider's failure to receive Charge Energy as required by this Agreement).

"**P3A**" means the Public-Private Partnership Authority of Puerto Rico or any successor thereto.

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

"**Payment Guarantee**" means a completed version of a guarantee in the form set forth in Appendix AA (*Form of Payment Guarantee*), duly executed by an authorized representative of the Permitted Guarantor.

"**Payment Guarantee Cross Default**" means, during the Term (as defined in Section 1.1 (*General*) of the Payment Guarantee), the occurrence of the following two (2) events: (i) a breach of any of the representations made by the Permitted Guarantor under Section 2.1 (*Representations*), or any

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of the obligations of the Permitted Guarantor arising out of Section 2.2 (*Covenants*), of the Payment Guarantee, and (ii) Resource Provider's failure to rectify such breach within sixty (60) Days of the occurrence of such breach, including through the delivery of a replacement Payment Guarantee executed by an Affiliate of Resource Provider that satisfies the "Tangible Net Worth Requirement" (as defined in Section 1.1 (*General*) of the Payment Guarantee).

"**Pending Permit Delay**" means, for any Permit for which Resource Provider has duly and properly applied and has exercised/continues to exercise diligent efforts to obtain, the denial of or delay in granting such Permit by the relevant Governmental Authority for any reason, other than Resource Provider's failure to comply with the requirements for the issuance of such Permit, which denial or delay materially impairs the ability of Resource Provider to achieve Commercial Operation or otherwise perform its obligations under this Agreement.

"**Performance Guarantee**" means the guarantee set forth in Appendix P (*Performance Guarantee*).

"**Performance Security**" has the meaning set forth in paragraph (a) of Section 2.5 (*Performance Security*).

"**Performance Tests**" means tests which verify that (i) the Facility can accept Charge Energy and deliver Discharge Energy and Ancillary Services at the Interconnection Point in accordance with the Operating Characteristics, (ii) the Facility meets the Performance Guarantee, and (iii) the Facility complies with each of the Other Minimum Acceptance Criteria, in each case in accordance with the Testing Protocol.

"**Permits**" means all permits, licenses, approvals, authorizations, consents, variances, or waivers issued by a Governmental Authority with jurisdiction over Resource Provider and the Facility which Resource Provider or its contractors will require for the development, construction, ownership, start-up, operation, maintenance, or financing of the Facility, including those set out in Appendix E (*Resource Provider Permits*).

"**Permitted Outage Hour**" means any hour during the Supply Period in which an Outage or Derating occurs as a result of a Scheduled Outage, Scheduled Derating, Force Majeure affecting Resource Provider or a PREPA Risk Event.

"**Permitted Guarantor**" means Pattern Energy Group LP or any other Person that (i) directly or indirectly holds an ownership interest of at least twenty-five percent (25%) in Resource Provider and (ii) has a Tangible Net Worth of at least seventy-five million dollars ($75,000,000).

"**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.

"**Political Force Majeure**" means any event specified in sub-paragraph (i) of Section 14.2 (*Instances of Force Majeure*), provided that such event satisfies the requirements for Force Majeure set out in Section 14.1 (General).

"**Post-Agreement Date Environmental Costs**" means all Environmental Costs resulting from measures required to comply with Applicable Law enacted, approved or issued after the Agreement Date.

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"**Post-Agreement Date Taxes**" means all Taxes resulting from measures required to comply with Applicable Law enacted, approved or issued after the Agreement Date.

"**Pre-Operation Period**" means the period of time from (and including) the Agreement Date up to (but excluding) the Commercial Operation Date.

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

"**PREB Extension Approval**" has the meaning set forth in paragraph (b) of Section 3.4 (*Extensions of Time*).

"**PREPA**" has the meaning set forth in the preamble of this Agreement.

"**PREPA Bankruptcy**" means the proceeding commenced pursuant to the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), pending as of the Agreement Date in the PROMESA Court, Case No. 17-4780.

"**PREPA Default**" has the meaning set forth in Section 16.2 (*Events of Default by PREPA*).

"**PREPA Delay Liquidated Damages**" has the meaning set forth in paragraph (a) of Section 3.5 (*Delay Liquidated Damages*).

"**PREPA Design Criteria Documents**" or "**DCDs**" has the meaning set forth in section (1) of paragraph (a) of Section 2 (*Interconnection Point Specifications*) of Appendix H (*Interconnection Description and Specifications*).

"**PREPA Interconnection and System Upgrade Cost Estimate**" means one million one thousand ninety-five dollars and sixty-two cents ($1,001,095.62).

"**PREPA Interconnection Facilities**" means all Equipment and facilities (including the Main Meters, interconnection breaker(s) and related high voltage equipment, electrical protection, SCADA, DSM, and communication systems) 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 H (*Interconnection Description and Specifications*) and not including communication, control, or protection equipment for which this Agreement assigns responsibility to Resource Provider.

"**PREPA Interconnection Facilities Works**" has the meaning set forth in paragraph (b) of Section 3.2 (*Resource Provider's Development Obligations*).

"**PREPA Performance Test**" means a Performance Test that Resource Provider shall conduct at PREPA's request in accordance with Section 6.9 (*Supply Period Performance Tests*).

"**PREPA Risk Event**" means any of the following events:

a. Force Majeure or a Legal Challenge in each case affecting PREPA;

b. a Grid System Event;

c. a breach, delay or failure by PREPA or T&D Operator, as applicable, in performing any material obligation under this Agreement or the Interconnection Agreement;

d. following any modifications to the MTRs, DCDs or the requirements for protective devices in the Interconnection Facilities under Section 4.2 (*Modifications*), the duration of the delay caused by, or the Facility's unavailability resulting from, the period reasonably required by Resource Provider to carry out changes to the Facility to comply with such modifications; or

e. any delay in the completion of the PREPA Interconnection Facilities Works beyond the date identified as the time for completion/occurrence of the Milestone for Initial Synchronization in the table set forth in Appendix D (*Milestone Schedule*), as adjusted in accordance with Section 3.4 (*Extensions of Time*) by either Party;

which, in each case, did not result from an act or omission of Resource Provider, Natural Force Majeure affecting Resource Provider or the circumstances described in Section 7.2 (*Curtailment for Breach*).

"**Product**" means all Discharge Energy, Ancillary Services, and Green Credits made available from or otherwise derived in connection with the operation of the Facility.

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

"**PROMESA**" means Public Law No: 114-187 (June 30, 2016), otherwise known as the Puerto Rico Oversight, Management, and Economic Stability Act.

"**PROMESA Court**" means the United States District Court for the District of Puerto Rico.

"**Proposed Design**" has the meaning set forth in paragraph (b) of Section 4.1 (*Proposed Design*).

"**Proposed Initial Synchronization Date**" has the meaning set forth in Section 5.1 (*Scheduling Synchronization*).

"**Prudent Utility Practices**" means the spectrum of possible practices, methods, conduct, and actions (including the practices, methods, conduct, and actions engaged in or approved by a significant portion of the power industry in the United States) 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.

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

"**Puerto Rico Controller**" means the Office of the Controller for the Commonwealth.

"**Qualified Bank**" means a national bank, national association, commercial bank or other financial institution registered in the United States, having a branch located within Puerto Rico or the contiguous United States, in each case that has a long-term issuer rating of at least (i) if headquartered within Puerto Rico, then "B+" by Standard & Poor's Ratings Services, "B1" by Moody's Investors Services Inc., or "B+" by Fitch Ratings Inc. or (ii) if headquartered outside of Puerto Rico, then "A-" by Standard & Poor's Ratings Services, "A3" by Moody's Investors

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Services Inc., or "A-" by Fitch Ratings Inc., or in each case if the relevant rating agencies cease to engage in business or rate the obligations in question, then an equivalent rating from another internationally recognized rating agency selected by Resource Provider with the written consent of PREPA; provided that, if such financial institution's ratings satisfy such minimum ratings, no other credit rating agency shall have placed such financial institution on credit watch with negative implications.

"**Qualified Operator**" means Resource Provider, an Affiliate of Resource Provider or a Sponsor, or, if a third-party contractor of Resource Provider or its Affiliate, an entity with at least two (2) years' experience operating facilities of a similar type and size as the Facility or another qualified and experienced operator reasonably acceptable to PREPA.

"**Qualified Sponsor**" has the meaning set forth in item (3), paragraph (b) of Section 19.4 (*Restrictions on Equity Transfers*).

"**Qualified Transferee**" has the meaning set forth in item (3), paragraph (b) of Section 19.4 (*Restrictions on Equity Transfers*).

"**Receiving Party**" has the meaning set forth in paragraph (a) of Section 12.9 (*Confidentiality*).

"**Registry**" has the meaning set forth in Section 9.5 (*Green Credits*).

"**Resource Provider**" has the meaning set forth in the preamble of this Agreement.

"**Resource Provider Default**" has the meaning set forth in Section 16.1 (*Events of Resource Provider Default).*

"**Resource Provider Delay Liquidated Damages**" or "**RPDLD**" means the amount per Day of delay set forth in the column captioned "Resource Provider Delay Liquidated Damages", which corresponds to the Milestone captioned "Commercial Operation", expressed as $ per Day, in the Milestone Schedule.

"**Resource Provider Execution Date**" means the date on which Resource Provider executes and delivers this Agreement as set forth immediately below Resource Provider's signature line.

"**Resource Provider Interconnection Facilities**" means all equipment and facilities (including Resource Provider's meters and metering equipment), located on Resource Provider's side of the Interconnection Point, constructed and installed for the purpose of interconnecting the Facility with the Grid System, as further described in Appendix H (*Interconnection Description and Specifications*).

"**Resource Provider Liability Cap**" means forty-seven million five hundred thousand dollars ($47,500,000.00), representing twenty-five percent (25%) of Resource Provider's estimated Facility costs.

"**Resource Provider Performance Test**" has the meaning set forth in paragraph (b) of Section 6.9 (*Supply Period Performance Tests*).

"**Restricted Person**" means any Person that has been, or that has any Affiliate that has been, within the past ten (10) years: (i) charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any Applicable Law,

(ii) assessed civil penalties in connection with any of the foregoing activities set forth in clause (i) under any such Applicable Laws; or (iii) had any of its funds seized or forfeited in an action in connection with any of the foregoing activities set forth in clause (i) under any such Applicable Laws.

"**RFP**" has the meaning set forth in Recital A in the preamble of this Agreement.

"**Satisfaction of Conditions Subsequent**" has the meaning set forth in paragraph (b) of Section 2.3 (*Initial Effectiveness, Closing Date & Conditions Subsequent*).

"**SCADA**" means the Facility's supervisory control and data acquisition system, which may include equipment installed by Resource Provider in accordance with PREPA requirements.

"**Scheduled Derating**" means a planned Derating that Resource Provider has coordinated in advance with PREPA with a mutually agreed commencement date, time, and duration, and set out in the Scheduled Maintenance Program pursuant to Article 6 (*Operation of the Facility*).

"**Scheduled Discharge Energy**" means, for any Billing Period, the aggregate quantity of Discharge Energy scheduled for delivery by the Facility to the Interconnection Point during such period, as set out in any and all Dispatch Notices issued by PREPA in respect of such period in accordance with Section 7.1 (*Dispatching*).

"**Scheduled Maintenance Program**" has the meaning set forth in paragraph (b) of Section 6.3 (*Scheduled Maintenance*).

"**Scheduled Outage**" means a planned Outage that Resource Provider has coordinated in advance with PREPA with a mutually agreed commencement and duration, and set out in the Scheduled Maintenance Program pursuant to Article 6 (*Operation of the Facility*).

"**Security Amount**" means (i) prior to the Commercial Operation Date, twelve and one-half dollars ($12.5) per kWh *multiplied by* Design D^{max} (expressed as kW) *multiplied by* the Design D^{max} Duration or such higher amount as agreed in accordance with paragraph (c) of Section 3.5 (*Delay Liquidated Damages*), and (ii) on and after the Commercial Operation Date, seventeen and one-half dollars ($17.5) per kWh *multiplied by* Design D^{max} (expressed as kW) *multiplied by* the Design D^{max} Duration.

"**Service of Process Agent**" has the meaning set forth in Section 1.1 (*General*) of the Payment Guarantee.

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

"**Site**" means the approximately thirteen (13) acres of land located in Santa Isabel, Puerto Rico, as further described in Appendix G (*Facility Site*).

"**Sponsor**" means:

a. in respect of any direct or indirect shareholding of Resource Provider owned by Pattern Energy Group LP, Pattern Energy Group LP; and

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b. in respect of each other Shareholder of, or a Person holding at least a ten percent (10%) partnership or membership interest in, Resource Provider on the relevant date, the ultimate parent company of such Shareholder or Person.

"**Stand-by Energy Consumption**" means the average hourly consumption of Energy by the Facility, measured over twenty-four (24) consecutive hours while the Facility operates in Storage Mode.

"**Stand-by Self Discharge**" means the difference between a starting SOC at seventy-five percent (75%) and the ending SOC at the conclusion of a twenty-four (24) hour period while the Facility stands idle but ready for immediate operation, as set forth in Appendix J (*Operating Characteristics*).

"**Start-Up**" means the action of bringing the Facility from non-operation to operation at the Facility's D^{min}, as specified in Appendix J (*Operating Characteristics*), and the Facility operates at steady state mode for a minimum of the lesser of one (1) hour or the Minimum Run Time (per Appendix J (*Operating Characteristics*)).

"**State of Charge**" or "**SOC**" means for any time of determination the amount of Stored Energy at such time expressed as a percent of the Maximum Storage Energy.

"**Station Use**" means the electrical load of the Facility's auxiliary equipment that is necessary for the operation of the Facility as set forth in Appendix J (*Operating Characteristics*). The auxiliary equipment includes, but is not limited to, forced and induced draft fans, air conditioner systems, heating systems, cooling towers, plant lighting and control systems, any heating or cooling equipment necessary to keep energy storage componentry within their normal operating temperatures, any motors or pumps required for moving material within the energy storage system, and any other electrical loads required in order for the Facility to provide Energy Storage Services.

"**Station Use Meters**" has the meaning set forth in paragraph (b) of Section 8.1 (*Meter Ownership & Maintenance*).

"**Storage Mode**" means a mode of operation whereby the Facility stands idle but ready for immediate operation as set forth in Appendix J (*Operating Characteristics*).

"**Stored Energy Level**" or "**SEL**" means, at a particular time, the quantity of Energy stored in the Facility at such time, expressed in MWh.

"**Subject Time Extension Claim**" has the meaning set forth in paragraph (b) of Section 3.4 (*Extensions of Time*).

"**Substantial Completion Notice**" has the meaning set forth in paragraph (f) of Section 4.4 (*Pre-Synchronization Testing*).

"**Substitute Provider**" has the meaning set forth in paragraph (b) of Section 3.4 of Appendix W (*Form of Direct Agreement*).

"**Supply Period**" means the period that commences on the Commercial Operation Date and expires on the twenty-fifth (25^{th}) anniversary thereof.

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"**System Impact Study**" means, for each proposal selected by PREPA for the phase III evaluation and contract negotiation of proposals under the RFP, a study that will, at a minimum, (i) determine the power capabilities of the major interconnection equipment required to complete the Interconnection Facilities, (ii) specify the maximum fault currents necessary to specify short circuit duty and interrupting ratings for the electrical equipment, (iii) approve or disapprove generator step-up (GSU) transformer impedance and reactive compensation equipment for proper control of voltage and reactive power flow, (iv) quantify the impact to the Grid System and the actions required to mitigate such impact, and (v) specify the Proposed Design requirements for the Facility and the PREPA Interconnection Facilities.

"**System Upgrades**" means the additions or modifications to the Grid System needed to integrate the Facility into the Grid System, as set out in the Facility Study and the System Impact Study.

"**T&D Operator**" means LUMA Energy, LLC, or any future operator of Puerto Rico's electric power transmission and distribution system or any of such operator's Affiliates.

"**Tangible Net Worth**" means a Person's net worth as shown on such Person's regular financial statements prepared in accordance with US GAAP (or any designated successor standard of the United States Securities and Exchange Commission), but excluding an amount equal to: (i) any Intangible Assets, and (ii) any amounts now or hereafter directly or indirectly owing to such Person by officers, shareholders or affiliates of the Person.

"**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 tax credits (including any grants or payments in lieu thereof) and accelerated and/or bonus depreciation).

"**Taxes**" means any and all taxes, fees or other charges of any nature whatsoever, including income taxes and repatriation (tollgate) taxes, imposed or assessed by a Governmental Authority responsible for implementing Applicable Law relating to tax on or as a result of the construction, ownership or operations of the Facility.

"**Technical Dispute**" has the meaning set forth in paragraph (b) of Section 21.3 (*Negotiation*).

"**Technical Input**" has the meaning set forth in paragraph (c) of Section 4.1 (*Proposed Design*).

"**Technical Recommendation**" has the meaning set forth in paragraph (a) of Section 21.4 (*Technical Recommendation*).

"**Term**" has the meaning set forth in Section 2.2 (*Initial Term*).

"**Termination Balance**" has the meaning set forth in paragraph (b) of Section 17.2 (*Tracking Account*).

"**Termination Date**" means the date of the earliest to occur of any of the events set forth in Section 15.1 (*Termination Date*).

"**Tested Duration Energy**" or "**TDE**" means the quantity (expressed in MWh) of Discharge Energy which the Facility makes available when discharging at D^{max} over the Design D^{max} Duration following charging starting at zero percent (0%) State of Charge over the Design Charge Duration, as demonstrated in the most recent Performance Test.

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"**Testing Protocol**" means PREPA's standard protocols for testing and commissioning of energy storage facilities set forth in Appendix M (*Testing Protocol*), as amended from time to time.

"**Threshold Availability**" or "**TA**" has the meaning set forth in paragraph (a) of Section 1 (*Facility Availability*) of Appendix P (*Performance Guarantee*).

"**Title III Case**" means PREPA's proceedings under Title III of PROMESA in the U.S. District Court.

"**Tracking Account**" has the meaning set forth in paragraph (a) of Section 17.2 (*Tracking Account*).

"**Transfer**" has the meaning set forth in Section 19.2 (*PREPA's Right to Assign*).

"**Tribunal**" has the meaning set forth in paragraph (a) of Section 21.5 (*Arbitration*).

"**Unauthorized Charge**" has the meaning set forth in paragraph (b) of Section 7.6 (*Unauthorized Charge*).

"**Unit**" means a segregable component of the Facility which may be operated independently of other components of the Facility to provide Energy Storage Services, as more particularly described in Appendix J (*Operating Characteristics*), and all appurtenant facilities and equipment, from which Resource Provider has agreed to provide the Energy Storage Services to PREPA pursuant to this Agreement, as further described in Appendix J (*Operating Characteristics*).

"**V**" means volts.

"**Wholly-Owned Affiliate**" means, with respect to a Sponsor, any Person that:

a. owns directly or indirectly one hundred percent (100%) of the issued share capital and voting rights of such Sponsor;

b. has one hundred percent (100%) of its issued share capital and voting rights owned directly or indirectly by such Sponsor; or

c. has one hundred percent (100%) of its issued share capital and voting rights owned directly or indirectly by another Person which owns directly or indirectly one hundred percent (100%) of the issued share capital and voting rights of such Sponsor.

"**Year**" means a calendar year, which shall be the twelve (12) Month period beginning 00:00 on January 1 and ending at 00:00 on the subsequent January 1.

1.2 Rules of Interpretation

The rules of interpretation listed below shall apply 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 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 this Agreement permits such successors and assigns.

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 Sections, Articles, and Appendices in this Agreement are references to the 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 the 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 definitions of Dispatch Notice, Charge Notice and Grid System Event and Section 6.2 (*Electricity Supply to the Facility*), Section 6.6 (*Restoration of the Facility*), Article 7 (*Dispatching & Charging Obligations*), Section 8.5 (*Data*), Section 9.1 (*General*), and Section 9.4 (*Ancillary Services*) include its dispatching center(s) and T&D Operator, as applicable.

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 PREB's power and authority under the Laws of the Commonwealth.

2. TERM, EFFECTIVENESS & PERFORMANCE SECURITY

2.1 Signing Conditions

The Parties shall complete their respective obligations set out in Appendix B (*PREPA Signing Conditions*) no later than the Agreement Date. Resource Provider recognizes that submittal of the certifications and documents set out in Appendix B (*PREPA Signing Conditions*) constitute an essential condition of this Agreement.

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2.2 Initial Term

The term of this Agreement (the "**Term**") shall begin on the Agreement Date and continue until the expiration of the Supply Period, unless extended or earlier terminated in accordance with the terms hereof. If the Parties extend the Term, then the word "Term" shall thereafter be deemed to mean the original Term as so extended.

2.3 Initial Effectiveness, Closing Date & Conditions Subsequent

a. The rights and obligations of the Parties under this Agreement shall enter into full force and effect on the Agreement Date.

b. Each Party shall use commercially reasonable efforts to satisfy their respective conditions subsequent set out in Part 1 and Part 2 of Appendix C (*Conditions Subsequent*) (the "**Conditions Subsequent**") promptly after the Agreement Date and no later than the date that occurs ninety (90) Days after the date of the amendment (the "**Conditions Subsequent Deadline**"). The Parties shall jointly sign a certificate, in the form set forth in Appendix T (*Form of Construction Start Date Certificate*), within five (5) Business Days after the occurrence of the satisfaction and/or waiver of all Conditions Subsequent (the "**Satisfaction of Conditions Subsequent**"). Resource Provider shall maintain the Bid Security in full force and effect, and otherwise in accordance with the requirements of the RFP, until the earlier of the date of the Satisfaction of Conditions Subsequent and termination of this Agreement in accordance with paragraph (c) of Section 2.3 (*Initial Effectiveness, Closing Date & Conditions Subsequent*).

c. If the Satisfaction of Conditions Subsequent fails to occur by the Conditions Subsequent Deadline, (i) this Agreement shall automatically terminate at midnight on such Day without either Party incurring liability to the other Party, and (ii) PREPA shall return the Bid Security to Resource Provider, provided, however, that in the event that either Resource Provider (1) has breached any obligations or incurred any other liability to PREPA in accordance with this Agreement in a material way, or (2) has not satisfied the Conditions Subsequent set out in Part 1 of Appendix C (*Conditions Subsequent*) but the satisfaction of the Conditions Subsequent set out in Part 2 of Appendix C has occurred: (A) this Agreement shall instead terminate in accordance with paragraph (c) of Section 15.1 (*Termination Date*), and (B) PREPA shall have the right to retain, and draw on the full face amount of, the Bid Security upon the occurrence of such termination.

2.4 Extension

Following the expiration of the initial Supply Period, the Parties may agree to extend the Term of this Agreement, with approval from PREB, for up to two (2) consecutive periods of five (5) Agreement Years each. Either Party may notify the other of its desire to extend the Term in writing as provided for under this Section 2.4 not less than eighteen (18) Months prior to the expiration of the initial Supply Period or extended Supply Period, as the case may be. During any extension, all provisions contained herein shall remain in effect unless otherwise agreed in writing.

2.5 Performance Security

a. To secure the due, proper, timely, and full performance of Resource Provider's obligations under this Agreement, Resource Provider shall provide to PREPA as a Conditions Subsequent to the Agreement Date, at Resource Provider's sole expense, one or more on-

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first-demand, irrevocable standby letters of credit issued by a Qualified Bank in a form substantially similar to that set forth in Appendix V (*Form of Performance Security*) or in a form otherwise reasonably acceptable to PREPA (or cash collateral or other on-first-demand, irrevocable security acceptable to PREPA in its sole discretion) in an amount equal to the Security Amount (the "**Performance Security**"). Resource Provider shall maintain the Bid Security in full force and effect, and otherwise in accordance with the requirements of the RFP, until the earlier to occur of the Satisfaction of Conditions Subsequent and the termination of this Agreement pursuant to paragraph (c) of Section 2.3 (*Initial Effectiveness, Closing Date & Conditions Subsequent*).

b. Resource Provider shall (i) maintain the Performance Security in full force and effect and in accordance with this Agreement until the date that is sixty (60) Days after the expiration of the Term (the "**Scheduled Expiration Date**"), and (ii) together with the delivery of each Performance Security or replacement thereof, deliver a written statement dated as of the delivery date duly signed by its authorized representative certifying that the issuer of such Performance Security meets the requirements of a Qualified Bank.

c. Resource Provider shall cause a Qualified Bank to issue, reissue or replace any Performance Security (in compliance with this Section 2.5) in accordance with the following:

1. to the extent that the Performance Security will expire or cease to exist prior to the Scheduled Expiration Date, then no later than fifteen (15) Business Days prior to the date of such expiration or cessation;

2. in the event that the issuer of the Performance Security ceases to meet the requirements of a Qualified Bank, then no later than twenty (20) Business Days after the date of such cessation; and

3. if the Parties agree to increase the Design Storage Energy, then promptly upon the date of such agreement.

d. PREPA shall have the right to draw down on the Performance Security (via a full or one or more partial drawings) to satisfy any outstanding, unpaid amounts owed to PREPA hereunder or as otherwise specifically provided herein, upon the occurrence of any of the following events:

1. Construction Start Termination Event;

2. COD Termination Event;

3. Resource Provider's failure to pay Liquidated Damages when due under this Agreement;

4. Resource Provider's failure to provide replacement Performance Security in accordance with paragraph (c) of this Section 2.5; provided that (i) PREPA deposits the amount so drawn in an escrow account in a bank selected by PREPA until Resource Provider delivers the replacement Performance Security to PREPA and upon such delivery, PREPA shall cause the release of the undrawn amounts on deposit in such account to Resource Provider, and (ii) PREPA shall have the right to draw from the escrow account in accordance with paragraph (d) of this

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Section 2.5 and Resource Provider shall bear the costs of opening and maintaining such escrow account;

5. except as otherwise covered by items (1) to (4) of this paragraph (d) of this Section 2.5, a Resource Provider Default;

6. Payment Guarantee Cross Default; or

7. any other event that expressly entitles PREPA to draw down or claim on the Performance Security under this Agreement.

PREPA shall have the right to draw down on the entire undrawn portion of the face amount of the Performance Security upon the occurrence of (i) the events described in items (1), (2), and (4) of paragraph (d) of this Section 2.5, and (ii) PREPA's termination of this Agreement following the occurrence of a Resource Provider Default.

3. PRE-OPERATION PERIOD

3.1 Independent Expert

PREPA (or T&D Operator acting as PREPA's agent) shall consult with Resource Provider and appoint an independent engineer (the "**Independent Expert**"). The Independent Expert shall review technical matters, issue non-binding technical recommendations in connection with technical disputes in accordance with this Agreement, assist in the resolution of technical issues, and monitor the works undertaken by, or on behalf of, Resource Provider (i) for the design, construction and commissioning of the Facility, and (ii) the operation of the Facility during the Supply Period. Any Independent Expert's staff shall include suitably qualified engineers and other professionals who possess the competence to carry out such duty. The Independent Expert shall verify that Resource Provider complies with this Agreement and conduct reviews of works performed by, or on behalf of, Resource Provider in accordance with Appendix I (*Progress Review*). Resource Provider shall consider all non-binding technical recommendations issued by the Independent Expert in order to comply with the requirements of this Agreement during the Pre-Operation Period. Whenever carrying out its duties in accordance with this Agreement, the Independent Expert shall act independently.

3.2 Resource Provider's Development Obligations

a. Resource Provider shall (i) develop, design, engineer, procure, finance, permit, construct, install, test, and commission the Facility, and (ii) achieve Commercial Operation no later than the Guaranteed Commercial Operation Date, at its own cost, in accordance with the Milestone Schedule, the requirements of all Permits, the MTRs, the Approved Design, the Interconnection Agreement, Prudent Utility Practices, the other provisions of this Agreement, Applicable Law and Applicable Standards.

b. Resource Provider shall pay when due to T&D Operator all amounts invoiced by T&D Operator in accordance with the Interconnection Agreement for the cost to develop, design, finance, permit, construct, install, test and commission the PREPA Interconnection Facilities and the System Upgrades (the "PREPA Interconnection Facilities Works"), up to the PREPA Interconnection and System Upgrade Cost Estimate.

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c. Resource Provider shall acquire (or lease) all land parcels, easements, rights-of-way, and other real property rights required to construct, test, commission, own, operate, and repair the Facility in its own name and at its own cost, and maintain such rights until the expiration of the Term.

d. The Parties acknowledge that Resource Provider duly and properly applied for any required Permits for the siting and construction of the Facility using such Expedited Permitting Process or other permitting processes as may have been available as soon as practicable following the occurrence of Satisfaction of Conditions Subsequent. Resource Provider shall exercise, and continue to exercise, diligent efforts to pursue and obtain such Permits. Resource Provider shall inform PREPA if it becomes aware or reasonably expects that it will not obtain a material Permit by the date or timeline required under this Agreement.

e. Resource Provider shall submit progress reports to PREPA on the development, construction, permitting, third-party contracting, and financing of the Facility no later than the tenth (10^{th}) Business Day of every Month, commencing on the first Month following the Agreement Date and continuing until the Commercial Operation Date. Resource Provider acknowledges that PREPA may keep PREB and other Governmental Authorities apprised of its progress.

3.3 PREPA Development Obligations

PREPA shall develop, design, permit, construct, install, test, and commission the PREPA Interconnection Facilities no later than fifteen (15) Days before the time for completion/occurrence of the Milestone for Initial Synchronization, as adjusted in accordance with Section 3.4 (*Extensions of Time*) by either Party, provided that Resource Provider has complied with paragraph (b) of Section 3.2 (*Resource Provider's Development Obligations*).

3.4 Extensions of Time

a. Each Party (the "**Delayed Party**") shall have the right to an extension of the time for the completion or occurrence of any Milestone or deadline expressly stated herein where (1) a breach, delay, or failure by the other Party in performing any material obligation under this Agreement or the Interconnection Agreement, (2) a Change in Law, (3) Force Majeure, or (4) (in the case of Resource Provider only) any other PREPA Risk Event, in each case directly delays the Delayed Party's (or, in the case of PREPA, T&D Operator's) ability to achieve such Milestone or deadline, but only to the extent that (i) such delay would not have occurred but for the occurrence of such event, (ii) the Delayed Party exercises its commercially reasonable efforts to mitigate the effects of such delay, and (iii) the Delayed Party has notified the other Party of such delay, and provided such other Party with a detailed explanation of the circumstances leading to such delay, as promptly as possible, but no later than ten (10) Business Days after the Delayed Party becomes aware of the delay.

b. If a Party exercises its right to an extension of time in accordance with paragraph (a) of this Section 3.4, then the time for completion or occurrence of such Milestone or deadline shall extend by the number of Days during which such event giving rise to such delay prevented such Party from achieving such Milestone or deadline; provided that, notwithstanding any other provision of this Agreement to the contrary, with respect to any extension of the Milestone for Commercial Operation, such extensions shall not exceed seventy-three (73) Days (being the aggregate ten percent (10%) of the period allocated for the time for

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completion or occurrence on the Agreement Date) without the prior written approval of PREB (which PREPA shall request upon receipt of a valid claim for an extension of time under paragraph (a) of this Section 3.4 from Resource Provider (the "**Subject Time Extension Claim**") specifying the nature and extent of the expected delay (the "**PREB Extension Approval**")).

c. If Resource Provider has made a Subject Time Extension Claim, but PREB has not yet provided a PREB Extension Approval, PREPA hereby waives its right to (i) receive Resource Provider Delay Liquidated Damages, (ii) terminate this Agreement for a COD Termination Event or (iii) draw on the Performance Security for a COD Termination Event, in each case to the extent that such rights arise from the delay period set forth in the Subject Time Extension Claim, provided that Resource Provider continues to comply with its obligation under clause (ii) of paragraph (a) of this Section 3.4 to mitigate the effects of such delay.

3.5 Delay Liquidated Damages

a. To the extent that (i) a PREPA Risk Event delays Resource Provider's ability to achieve Commercial Operation as determined under Section 3.4 (*Extensions of Time*) and (ii) Resource Provider achieves either Deemed Completion or Commercial Operation, then PREPA shall pay to Resource Provider, as Resource Provider's sole and exclusive remedy in respect of such delay, an amount per Day of such delay equal to one thirtieth (1/30) of the Capability Payment Price applicable to the first Agreement Year as liquidated damages (the "**PREPA Delay Liquidated Damages**") no later than forty-five (45) Days after receipt of an invoice therefor; provided that (A) if, upon the occurrence of Commercial Operation Date, the Monthly Contract Capability established by the Initial Performance Tests falls below the Design D^{max}, then the Parties shall reduce the PREPA Delay Liquidated Damages and Resource Provider shall credit PREPA's account for any overpayment according to the ratio that such Monthly Contract Capability bears to the Design D^{max}; and (B) the Term shall reduce for each Day in respect of which PREPA has paid PREPA Delay Liquidated Damages. The Parties acknowledge and agree that the PREPA Delay Liquidated Damages represent a fair and reasonable estimate of the losses which Resource Provider will suffer if Commercial Operation does not occur by the Guaranteed Commercial Operation Date, and accordingly the Parties hereby waive their right to dispute the validity of this paragraph (a) of Section 3.5.

b. Subject to paragraph (c) of Section 3.4 (*Extensions of Time*), for each Day of delay in achieving Commercial Operation after the Guaranteed Commercial Operation Date until the earlier of (i) the Commercial Operation Date, and (ii) the Long-Stop Date, other than any Day in respect of which PREPA has an obligation to pay PREPA Delay Liquidated Damages in accordance with paragraph (a) above, Resource Provider shall pay to PREPA the Resource Provider Delay Liquidated Damages, no later than forty-five (45) Days after receipt of an invoice therefor. The Resource Provider Delay Liquidated Damages shall constitute PREPA's sole and exclusive remedy in respect of such delay, other than those remedies arising out of the termination by PREPA for delay under Section 15.1 (*Termination Date*). The Parties acknowledge and agree that the Resource Provider Delay Liquidated Damages represent a fair and reasonable estimate of the losses which PREPA will suffer if Commercial Operation does not occur by the Guaranteed Commercial Operation Date, and accordingly the Parties hereby waive their right to dispute the validity of this paragraph (b) of Section 3.5.

c. The Parties acknowledge and agree that Resource Provider's maximum aggregate liability arising out of this Agreement for delays in achieving Commercial Operation shall not exceed the Security Amount. If, prior to the Commercial Operation Date, the accrued Resource Provider Delay Liquidated Damages (determined without reference to the Resource Provider Liability Cap or Security Amount) exceed, or will likely exceed, the applicable Security Amount, then Resource Provider shall have the right to increase the Security Amount by an amount specified in a written notice to PREPA to be sent as promptly as possible, but no later than ten (10) Business Days after Resource Provider becomes aware of the delay. If Resource Provider desires to increase the Security Amount under this paragraph (c) of this Section 3.5, then such increase shall not become effective until Resource Provider has delivered a replacement Performance Security with a total face amount to cover the increased Security Amount.

3.6 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 provision of Energy Storage Services, 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. Subject to the conditions stated in the previous sentence, each Party hereby agrees to cooperate and exchange information reasonably necessary to permit, finance, construct and operate the Facility. Notwithstanding anything in this Agreement to the contrary, Resource Provider shall remain solely responsible for permitting, financing, constructing, and operating the Facility.

3.7 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 will be located, including rights-of-way, easements, and similar access rights for the interconnection of the Facility, (ii) financing for the Facility and the PREPA Interconnection Facilities Works, 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, Resource Provider shall remain solely responsible for obtaining the items set out in clauses (i) to (iii) of this Section 3.7 with respect to the Facility.

3.8 Interconnection Agreement

Resource Provider shall comply with all terms and conditions contained in the Interconnection Agreement. PREPA shall bear no liability or cost under this Agreement related to interconnection or electric distribution or transmission service for the Facility, except as expressly set forth in this Agreement.

3.9 Protocols & Procedures

The Parties shall agree upon any adjustments or additions to the Testing Protocol (including in respect of the Performance Tests) and Operating Procedures applicable to the Facility, taking into consideration Prudent Utility Practices, the MTRs, the Approved Design, the Operating Characteristics, equipment supplier and manufacturer recommendations set forth in their operating

manuals, and the terms and conditions of this Agreement. The Testing Protocol and Operating Procedures shall 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. Resource Provider acknowledges and agrees that (i) its compliance with the Operating Procedures or Testing Protocol does not relieve Resource Provider from any liability that it would otherwise have under this Agreement, and (ii) PREPA shall not be liable to Resource Provider or any other Person by reason of its review or approval of the Operating Procedures or Testing Protocol.

3.10 Resource Provider Utilities

Prior to the Initial Synchronization Date, Resource Provider shall procure at its own cost its own electricity, which it may obtain from PREPA through a separate agreement, and shall procure all of its other water, fuel, and other utilities during the Term. From and after the Initial Synchronization Date until the Commercial Operation Date, PREPA agrees to provide backfeed electricity to Resource Provider as requested by Resource Provider at the most advantageous published rate available to Resource Provider, based on PREPA's approved tariff, which shall conform with rates PREPA charges to similar customers.

4. FACILITY DESIGN REQUIREMENTS

4.1 Proposed Design

a. The Parties acknowledge that Resource Provider submitted to PREPA a thirty percent (30%) engineering design for the Facility, and PREPA reviewed and commented on such design.

b. Resource Provider shall submit to PREPA a ninety percent (90%) engineering design for the Facility (the "**Proposed Design**"). Resource Provider agrees to ensure that the Proposed Design will (i) comply with Prudent Utility Practices, the requirements of the Interconnection Agreement, the Operating Characteristics, Permits, Applicable Laws, Applicable Standards, and the MTRs, and (ii) incorporate all equipment required for the Facility to comply with the MTRs.

c. No later than thirty (30) Days following Resource Provider's delivery to PREPA of the Proposed Design, PREPA shall complete its review of the Proposed Design and deliver to Resource Provider written notice that PREPA either (i) accepts the Proposed Design (the "**Approved Design**") and confirms that (a) the Facility, if constructed in accordance with such design, will comply with PREPA's interconnection requirements and (b) subject to the results of the Feasibility Study, System Impact Study and Facility Study and compliance with the requirements identified in such studies, PREPA will allow the Facility to interconnect with the Grid System in accordance with this Agreement, or (ii) does not accept such design based on its review, in which case PREPA shall simultaneously deliver to Resource Provider a written and detailed description of PREPA's objections to such design and PREPA's required modifications thereto, which modifications PREPA shall reasonably propose in good faith and consistent with Prudent Utility Practices (the "**Technical Input**"). To the extent the Technical Input involves a change in MTRs, the provisions of Section 4.2 (*Modifications*) shall apply.

d. If PREPA provides Technical Input to Resource Provider in accordance with the foregoing, Resource Provider shall prepare and submit to PREPA a revised Proposed Design based

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on such Technical Input. No later than ten (10) Business Days following Resource Provider's delivery to PREPA of Resource Provider's revised Proposed Design, PREPA shall review such revised Proposed Design and notify Resource Provider 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 Resource Provider further Technical Input. The Parties shall repeat the foregoing process until PREPA accepts an Approved Design, which approval PREPA shall not unreasonably withhold or delay.

e. The Parties shall exercise commercially reasonable efforts to agree upon an Approved Design within sixty (60) Days of Resource Provider's submission of the revised Proposed Design, after Resource Provider has received PREPA's Technical Input. The Parties' failure to agree on the Approved Design within one hundred eighty (180) Days after Resource Provider's submission of a Proposed Design shall constitute grounds for an extension of time for the occurrence of Milestones to the extent otherwise permitted under Section 3.4 (*Extensions of Time*).

f. Resource Provider shall not commence construction of the Facility without PREPA's written consent until the Parties have agreed on an Approved Design; provided that, Resource Provider may, at its risk, order long-lead equipment for the Facility prior to the Parties agreeing on the Approved Design.

g. Prior to the Initial Synchronization Date, Resource Provider may notify PREPA and the T&D Operator of reasonable updates to Resource Provider's battery, inverter or other equipment suppliers and corresponding modifications to the Approved Design (e.g., battery form factor, battery layout, associated facility infrastructure or similar) necessitated by supply constraints or market availability, provided that such updates and modifications shall not adversely impact Resource Provider's compliance with the MTRs or other provisions of this Agreement.

4.2 Modifications

a. Each Party shall notify the other in advance of any changes to its system, and the reasons for those changes, that would reasonably require modification or expansion of the MTRs after the Agreement Date, affect the coordination of protective devices between Resource Provider and PREPA interconnected systems or otherwise affect either Party's Interconnection Facilities.

b. PREPA reserves the right to modify or expand the MTRs, DCDs, or its requirements for protective devices in the Interconnection Facilities, in each case from time to time in accordance with Prudent Utility Practices and Applicable Law and in consultation with Resource Provider. If PREPA desires to exercise such modification or expansion right in consideration of the risk of imminent and substantial harm to human life, property, or the Grid System (including degradation of service), then it shall notify Resource Provider thereof in writing, providing the rationale for such change in reasonable detail, subject to the limitations set forth in paragraphs (c), (d) and (e) of this Section 4.2, and Resource Provider shall implement such change, except that in no event shall Resource Provider be required to make any modifications to the Facility in response to PREPA's modification or expansion of the MTRs, DCDs, or its requirements for protective devices in the Interconnection Facilities, if such modification would subject Resource Provider to any material additional liability (i) which, together with any costs previously incurred by Resource Provider pursuant to PREPA's request for modification or expansion of the

MTRs, DCDs, or its requirements for protective devices in the Interconnection Facilities in accordance with this Section 4.2 or any costs incurred by Resource Provider in connection with changes to the PSS/E mathematical model in accordance with Section 4.3 (*Modeling*) exceeds the Modification Limit, and (ii) which PREPA is not required, or has not otherwise agreed, to reimburse to Resource Provider in accordance with this Agreement.

c. If Resource Provider implements any modification or expansion that PREPA requires under this Section 4.2, then Resource Provider shall assume the cost of such implementation, up to a total cost which, when added to any costs that PREPA previously required and incurred by Resource Provider pursuant to this Section 4.2 or Section 4.3 (*Modeling*) during the Term, does not exceed the Modification Limit. If such modification or expansion reduces the Facility's ability to provide Energy Storage Services, then the Parties shall treat that portion of Resource Provider's reasonably projected lost revenue under this Agreement arising out of such reduction as a cost of such change, provided that Resource Provider shall take all reasonable steps to minimize or mitigate such losses.

d. If Resource Provider's costs attributable to such change (as reasonably determined and evidenced in writing to PREPA), when added to any costs Resource Provider previously incurred pursuant to PREPA's request for modification or expansion in accordance with this Section 4.2 or Section 4.3 (*Modeling*) during the Term, exceed the Modification Limit, then PREPA shall increase the Monthly Payment to allow Resource Provider to recover that portion of the cost in excess of the Modification Limit in Monthly installments (i) in respect of modifications to the Facility, over a term of eighteen (18) Months, or (ii) for a reduction to the Facility's ability to provide Energy Storage Services, over the remaining Supply Period or so long as the reduction exists. Notwithstanding the foregoing, and only if not the result of changes required by PREPA, Resource Provider shall assume the total cost (without reimbursement) of implementing modifications to the MTRs or such other requirements in accordance with this Section 4.2 resulting from any deviations from the Operating Characteristics or the Approved Design or any changes to Resource Provider's system whatsoever.

e. Modifications or expansions of the MTRs shall not become effective until Resource Provider has had a reasonable period of time to comply with any such modified or expanded requirement.

4.3 Modeling

a. Resource Provider shall provide PREPA with a PSS/E model for the Facility for approval no later than the Agreement Date.

b. Resource Provider agrees to keep the PSS/E mathematical models current with the future versions of the PSS/E program, and shall provide updated PSS/E mathematical models to PREPA not later than ninety (90) Days after PREPA notifies Resource Provider of a PSS/E version upgrade if such upgrade results in software incompatibility with PREPA's system. Resource Provider shall submit to PREPA a report from Siemens PTI or another third-party engineering consultant that validates and certifies the PSS/E mathematical model as accurate, including the subsequent revisions performed to keep the mathematical model current with the future version of the PSS/E program. PREPA shall bear all costs incurred by Resource Provider in excess of the Modification Limit in connection with changes to the PSS/E mathematical model that result from modification or expansion of the MTRs or

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PREPA's requirements for protective devices in the Interconnection Facilities as per Section 4.2 (*Modifications*).

4.4 Pre-Synchronization Testing

a. Prior to the Initial Synchronization Date, Resource Provider shall retain a contractor, approved in writing by PREPA (which approval PREPA shall not unreasonably withhold or delay after Resource Provider has submitted to PREPA information about the experience of such contractor), to perform the acceptance testing of the Resource Provider Interconnection Facilities, in accordance with the Testing Protocol. Resource Provider 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 fifteen (15) Business Days following completion of such testing and submission to PREPA of the testing book prepared by the testing contractor, PREPA shall review such testing book and notify Resource Provider in writing whether PREPA (i) accepts such testing book, or (ii) declines to accept such testing book acting reasonably in accordance with Prudent Utility Practice, in which case PREPA shall simultaneously deliver to Resource Provider a written and detailed technical description of PREPA's objections to such testing book and PREPA's required modifications thereto which Resource Provider shall jointly work with the testing contractor using commercially reasonable efforts to incorporate in good faith. If PREPA has provided required modifications to the testing book, then no later than five (5) Business Days following Resource Provider's delivery to PREPA of a revised testing book consistent with such modifications, PREPA shall review such revised testing book and notify Resource Provider in writing either of PREPA's approval or that PREPA continues to require modifications thereto. The Parties shall repeat the foregoing process until PREPA approves the testing book, which approval PREPA shall not unreasonably withhold or delay. PREPA shall have the right to finally determine, acting reasonably in accordance with Prudent Utility Practice, whether Resource Provider has adequately designed, constructed and tested the Resource Provider Interconnection Facilities and whether such facilities comply with the Approved Design and PREPA's other requirements. PREPA shall use reasonable efforts to accept Resource Provider's testing book within fifteen (15) Business Days after Resource Provider's delivery to PREPA of a revised testing book, after Resource Provider has received PREPA's objections to the testing book for the first time.

c. Upon completion of the pre-synchronization testing of the Resource Provider Interconnection Facilities, Resource Provider shall provide written notice (which shall include a copy of the red line drawing used for the construction of the Resource Provider Interconnection Facilities) to PREPA that Resource Provider has substantially completed and tested the Resource Provider Interconnection Facilities in accordance with paragraphs (a) and (b) of this Section 4.4 ("**IF Completion Notice**"), in a form substantially similar to that set forth in Appendix X (*Form of IF Completion Notice*).

d. Following receipt of the IF Completion Notice, PREPA shall inspect (or the Parties shall appoint an Independent Expert to inspect) such Resource Provider Interconnection Facilities and the remainder of the Facility to confirm that Resource Provider has constructed the Resource Provider Interconnection Facilities in accordance with the Approved Design, which inspection and confirmation PREPA shall complete promptly, but in any case within five (5) Business Days following PREPA's receipt of the IF Completion Notice.

e. If PREPA (or the Independent Expert, as applicable) determines in good faith acting reasonably in accordance with Prudent Utility Practice that Resource Provider has not constructed the Resource Provider Interconnection Facilities or remainder of the Facility in accordance with the Approved Design and that such deviation would, if PREPA synchronized the Facility with the Grid System, adversely affect the operations of the Grid System, PREPA shall so advise Resource Provider in writing within five (5) Business Days following PREPA's (or the Independent Expert's, as applicable) inspection of Resource Provider Interconnection Facilities or remainder of the Facility, as applicable, and Resource Provider shall correct or mitigate any such deviation prior to interconnecting the Facility to the Grid System and resubmit the IF Completion Notice (in which case paragraph (d) of this Section 4.4 shall again apply). If the Parties cannot reach an agreement on whether Resource Provider has constructed the Resource Provider Interconnection Facilities or remainder of the Facility in accordance with the Approved Design after Resource Provider has submitted two (2) IF Completion Notices that PREPA has found to be deficient, then either Party may refer the matter to dispute resolution pursuant to Article 21 (*Dispute Resolution*).

f. If PREPA, in consultation with the Independent Expert, determines acting reasonably in accordance with Prudent Utility Practice that the Facility has been constructed in accordance with this Agreement, then PREPA shall notify Resource Provider thereof (such notification, the "**Substantial Completion Notice**"), in a form substantially similar to that set forth in Appendix Y (*Form of Substantial Completion Notice*), and the Parties shall proceed with Initial Synchronization and testing pursuant to Article 5 (*Synchronization, Testing & Completion*).

4.5 Protection Relays & Control

a. Resource Provider shall provide PREPA with the proposed design of the complete protection systems (including relay devices and relay settings), in accordance with Appendix O (*Technical Requirements for Operation, Protection, & Control*), for PREPA's review and inspection not later than sixty (60) Days prior to the Proposed Initial Synchronization Date. Resource Provider shall submit the protection requirements in three stages: (i) design; (ii) protection report (*i.e.* the settings to be implemented according to the Approved Design); and (iii) the tests that Resource Provider shall perform with the approved settings.

b. If PREPA declines to accept such protection requirements for any reason acting reasonably in accordance with Prudent Utility Practice, Resource Provider agrees to comply with any reasonable request made by PREPA to provide the protection scheme requirements, including acceptable relay settings, prior to the Initial Synchronization Date. PREPA agrees to give any comments or suggested changes pursuant to this Section 4.5 within thirty (30) Days after Resource Provider submits the protection requirements at each stage to PREPA, provided that PREPA shall have at least ten (10) Days to evaluate each individual submission after receipt. If the Parties cannot reach an agreement within thirty (30) Days after PREPA's receipt of the complete set of protection requirements, including relay settings, then the Parties shall resolve such Dispute in accordance with Article 21 (*Dispute Resolution*).

c. Resource Provider further agrees that control and protection scheme parameters such as ramp rates, frequency fluctuations, overvoltage or low voltage ride-through, voltage support, and dynamic power factor will align in all material respects with the MTRs.

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Resource Provider shall procure equipment with electrical capabilities to comply with the MTRs.

4.6 Voltage Schedule

PREPA shall prepare and submit to Resource Provider 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 complies with the MTRs. Resource Provider shall use such voltage schedule in the operation of its Facility. PREPA shall base the voltage schedule on the normally expected operating conditions for the Facility and the reactive power requirements of the Grid System.

4.7 Facility Upgrades

From and after the Initial Synchronization Date, Resource Provider shall not carry out any upgrades or modifications to the Facility that will, or may reasonably be expected to, impair or limit the Facility's compliance with the MTRs, alter its Operating Characteristics or expand or limit its ability to provide the Energy Storage Services to PREPA, including the addition of energy discharge capacity expansions or other upgrades not contemplated by the Approved Design, in each case without PREPA's prior written consent, which PREPA may withhold in its sole discretion. The Parties acknowledge that this Section 4.7 does not restrict Resource Provider's performance of routine maintenance or technology upgrades required to ensure safe and reliable operation or regular replacement or periodic augmentation of equipment to maintain the performance of the Facility in accordance with this Agreement and the Approved Design.

5. SYNCHRONIZATION, TESTING & COMPLETION

5.1 Scheduling Synchronization

Resource Provider 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 no later than ninety (90) Days prior to the Proposed Initial Synchronization Date. Resource Provider shall have the right to postpone or accelerate such date with at least fourteen (14) Days' advance written notice to PREPA. Upon the issuance of the Substantial Completion Notice, the Parties shall agree on the actual Initial Synchronization Date at least seven (7) Days in advance of such date.

5.2 Initial Synchronization

Resource Provider shall not energize, back-feed, or synchronize the Facility without PREPA's prior approval, which approval PREPA shall not unreasonably withhold or delay. Subject to Resource Provider's compliance with the Interconnection Agreement and this Agreement, PREPA agrees to allow the Facility to interconnect to the Grid System at the Interconnection Point in accordance with the terms of this Agreement from the Initial Synchronization Date. PREPA shall have the right to have a representative present at the Facility to witness the synchronization process from and after the Initial Synchronization Date.

5.3 Initial Performance Tests

a. On or promptly after the Initial Synchronization Date, Resource Provider shall conduct the initial Performance Tests on the Facility to, among other things, verify that each Capability

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of the Facility will meet or exceed the corresponding Design Capability, and the provisions of paragraphs (a), (b), and (c) of Section 6.9 (*Supply Period Performance Tests*) shall apply *mutatis mutandis* to such tests (the "**Initial Performance Tests**").

b. If the Initial Performance Tests establish that each Capability of the Facility falls below the corresponding Design Capability, then prior to the Long-Stop Date, Resource Provider may, at its election:

1. take corrective actions to increase such Capability of the Facility prior to the Long-Stop Date until the Initial Performance Tests demonstrate that a Capability of the Facility meets or exceed the corresponding Design Capability; or

2. if, for D^{max} or C^{max} only, such Capability meets or exceeds at least ninety-five percent (95%) of the corresponding Design Capability on a sustained basis (the "**Minimum Acceptance Capability**"), then credit PREPA's account in the amount of $200 per kW for each kW of difference between such Design Capability and the corresponding Capability of the Facility as onetime liquidated damages and PREPA's sole and exclusive remedy in respect of such shortfall (the "**Capability Shortfall Liquidated Damages**"),

provided that if, by the Long-Stop Date, corrective actions result in such Capability meeting or exceeding the Minimum Acceptance Capability but not the corresponding Design Capability, then Resource Provider shall credit PREPA's account for the Capability Shortfall Liquidated Damages. Resource Provider acknowledges and agrees that the Capability Shortfall Liquidated Damages represent a fair and reasonable estimate of the loss that PREPA will suffer if such a Capability shortfall occurs, and accordingly, Resource Provider hereby waives its right to dispute the enforceability of this paragraph (b) of this Section 5.3.

c. If the Initial Performance Tests establish that the Facility fails to comply with the Other Minimum Acceptance Criteria, then Resource Provider may, at its election:

1. take corrective actions to improve the performance of the Facility; and

2. repeat the Initial Performance Tests to establish that the Facility satisfies the MTRs, Operating Characteristics and criteria set out in the Testing Protocol and Operating Procedures,

in each case, prior to the Long-Stop Date.

d. Subject to paragraphs (b) and (c) of this Section 5.3, if the Initial Performance Tests do not establish that the Facility meets both the Minimum Acceptance Capability and Other Minimum Acceptance Criteria, then PREPA shall have the right to reject the results of such tests and Resource Provider shall credit PREPA's account for the Capacity Shortfall Liquidated Damages.

e. Following the successful completion of the Initial Performance Tests (or crediting of Capability Shortfall Liquidated Damages, as applicable) and satisfaction of all other criteria to achieve Commercial Operation:

1. Resource Provider shall notify PREPA in writing of the test results and the Commercial Operation Date by issuing a certificate thereof, in a form substantially similar to that set forth in Appendix U (*Form of Commercial Operation Date Certificate*). PREPA shall confirm and countersign such notification, which confirmation PREPA shall not unreasonably withhold or delay, and if a demonstrated Capability falls below the corresponding Design Capability and the appropriate crediting by Resource Provider of Capacity Shortfall Liquidated Damages has occurred, then subject to paragraphs (b) and (c) of this Section 5.3, the Parties shall amend this Agreement to reduce the corresponding Design Capability accordingly.

2. Resource Provider 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. Resource Provider shall also submit a PSS/E validation report for the Facility, which describes how the PSS/E simulation results demonstrate the model MTR compliance and performance, based on the final adjustment and parameter settings of MTR and the Initial Performance Tests as required in this Agreement.

5.4 Resource Provider Interconnection Facilities

a. On the Commercial Operation Date, Resource Provider shall: (i) release and forever discharge PREPA and its respective officers, directors, agents, and employees, and all property connected with or a part of the site of the PREPA Interconnection Facilities Works, 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 Resource Provider's obligations under this Agreement, including construction of the Resource Provider Interconnection Facilities, and (ii) specifically waive and release any lien, right, security interest or encumbrance of any kind in connection with this Agreement or Applicable Law established by Resource Provider, its contractors at any tier, material suppliers, laborers and all other Persons or entities furnishing services, labor or materials in connection with Resource Provider'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.

b. Resource Provider shall provide PREPA with as-built drawings of the Facility within ninety (90) Days after the Commercial Operation Date and within ninety (90) Days after any material modification of the Resource Provider Interconnection Facilities or remainder of the Facility to the extent that such modification affects such as-built drawings.

c. Resource Provider shall at all times own and have responsibility for (at its own cost and expense) the safe and adequate operation and maintenance of all Resource Provider Interconnection Facilities. PREPA shall own and have responsibility for the safe and adequate operation and maintenance of the PREPA Interconnection Facilities. If PREPA implements any change in the protection system relay settings, equipment, or studies due to any improvement at the Interconnection Facilities required by Resource Provider or as a result of the Facility, then Resource Provider shall bear all reasonable costs and expenses incurred by PREPA.

d. This Agreement is subject to: (i) an updated Point of Interconnection Facility Study, System Impact Study, and Network Upgrade Facility Study, as applicable, in each case at

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the Resource Provider's cost, demonstrating an impact on the Grid System reasonably acceptable to the T&D Operator, and clearly establishing the costs related to the PREPA Interconnection Facilities; and (ii) PREPA's approval of a revised Proposed Design, Appendix G (*Facility Site*), and Appendix J (*Operating Characteristics*), which approval shall not be unreasonably withheld, denied, or delayed.

6. OPERATION OF THE FACILITY

6.1 General

Resource Provider shall:

a. during each hour of each Day of each Billing Period:

1. continuously operate the Facility in Discharge Mode, Charge Mode or Storage Mode without interruption, including as required by a Dispatch Notice or a Charge Notice;

2. while operating in Discharge Mode, make the Facility available for dispatch by PREPA of (A) a quantity of Energy that corresponds to the Design Duration Energy during the Design Discharge Duration, and (B) Ancillary Services specified in the MTRs, as applicable, at the Interconnection Point;

3. while operating in Storage Mode, make the Facility available for storage of quantities of Energy that correspond to the Design Storage Energy; and

4. while operating in Charge Mode, make the Facility available to accept at the Interconnection Point a quantity of Energy that corresponds to the Design Charge Energy during the Design Charge Duration,

in each case (as applicable to such hour) other than during the occurrence of any Permitted Outage Hour and subject to the applicable Annual Degradation Rates;

b. from the Initial Synchronization Date until the expiry of the Supply Period:

1. operate, test, maintain, repair and, if necessary, replace the Facility (or any portion thereof) in accordance with (i) the Operating Procedures, (ii) the Testing Protocol, (iii) the MTRs, (iv) Dispatch Notices and Charge Notices, (v) Prudent Utility Practices, (vi) this Agreement, and (vii) Applicable Law and Applicable Standards, and subject to the Operating Characteristics; and

2. ensure that (i) personnel remain on duty at the Facility at the times required to meet Resource Provider's obligations under this Agreement, and (ii) any contractor that Resource Provider engages for the operation, testing, maintenance, or repair of the Facility as a whole qualifies as a Qualified Operator; and

3. ensure that the Facility satisfies the Performance Guarantee.

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6.2 Electricity Supply to the Facility

From and after the Commercial Operation Date until the expiry of the Supply Period, Resource Provider shall procure at its own cost such Energy as it requires:

a. to return the Facility at the end of Outage or Derating (unless a PREPA Risk Event directly caused such Outage or Derating) to a Stored Energy Level equal to the Stored Energy Level immediately prior to such Outage or Derating, as applicable, in accordance with Section 6.6 (*Restoration of the Facility*);

b. for Station Use in accordance with Section 7.5 (*Station Use*); and

c. in respect of an Unauthorized Charge, in accordance with Section 7.6 (*Unauthorized Charge*).

If Resource Provider procures such Energy from PREPA, then PREPA shall, for the purposes of paragraphs (a) or (b) of this Section 6.2, supply such Energy to Resource Provider at the most advantageous published rate available based on PREPA's approved tariff, conforming to the rates PREPA charges to similar customers.

6.3 Scheduled Maintenance

a. Resource Provider shall (i) ensure that no more than two hundred-forty (240) hours of Scheduled Outages or Scheduled Deratings occur per Agreement Year, (ii) plan its Scheduled Maintenance Program so as to minimize interruptions or reductions to the provision of Energy Storage Services, and (iii) cooperate with PREPA to coordinate the Scheduled Outages and Scheduled Deratings with Grid System needs. Resource Provider may only use the allowance for Scheduled Outages or Scheduled Deratings in the Agreement Year in which the allowance accrues, and any unused hours shall not be carried over to subsequent Agreement Years.

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b. Resource Provider shall, at least sixty (60) Days prior to the Commercial Operation Date, submit a written schedule of Scheduled Outages and Scheduled Deratings ("**Scheduled Maintenance 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 Year, setting forth the proposed Scheduled Outages and Scheduled Deratings periods. Thereafter, Resource Provider shall submit to PREPA, in writing, by September 1 of each Year, its proposed Scheduled Maintenance Program for the next Year.

c. Resource Provider shall provide the following information for each proposed Scheduled Outage and Scheduled Derating:

1. description of the work that Resource Provider will perform during such event;

2. approximate start date and time;

3. approximate end date and time;

4. approximate time to restore the Facility to full operation; and

5. for Scheduled Deratings, Energy Storage Services available during such event.

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d. PREPA shall have thirty (30) Days from receipt of the proposed Scheduled Maintenance Program to notify Resource Provider whether it accepts the program or requires a rescheduling (and the period during which Resource Provider can perform such maintenance). If PREPA fails to respond during such period, then the Scheduled Maintenance Program shall be deemed accepted.

e. Resource Provider shall use reasonable efforts to accommodate any request from PREPA to reschedule the Scheduled Maintenance Program. If Resource Provider cannot accommodate PREPA's request to reschedule the Scheduled Maintenance Program, then Resource Provider shall provide reasons therefor and alternative dates for the Scheduled Maintenance Program. PREPA shall select between the alternative dates proposed by Resource Provider to finalize the Scheduled Maintenance Program.

f. Resource Provider shall notify PREPA at least seven (7) Days prior to the start of any Scheduled Outage or Scheduled Derating and shall maintain close coordination with PREPA as such event approaches.

g. If a condition occurs that impacts the Scheduled Maintenance Program, then Resource Provider shall promptly, on becoming aware of such condition, notify PREPA of such change (including an estimate of the length of such Scheduled Outage or Scheduled Derating) and request PREPA's approval to revise the Scheduled Maintenance Program, which approval PREPA shall not unreasonably withhold or delay. Resource Provider shall bear any costs incurred by PREPA for revisions made less than sixty (60) Days before the start date of a Scheduled Outage or Scheduled Derating or that results in such event being scheduled less than sixty (60) Days before the start of the revised Scheduled Outage or Scheduled Derating, other than in cases of Force Majeure or a PREPA Risk Event.

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h. Only those Outages or Deratings that (i) meet the submittal timelines in paragraph (b) of this Section 6.3, and (ii) PREPA approves in accordance with this Section 6.3 shall constitute a Scheduled Outage or Scheduled Derating, respectively.

6.4 Non-Scheduled Outages & Deratings

a. If Resource Provider determines that it requires a Non-Scheduled Outage or Non-Scheduled Derating, then Resource Provider shall coordinate the timing of such Non-Scheduled Outage or Non-Scheduled Derating, as applicable, with PREPA.

b. Resource Provider shall use commercially reasonable efforts to notify PREPA of any Non-Scheduled Outage or Non-Scheduled Derating no later than 17:00 hours (Puerto Rico time) on the third (3rd) Business Day prior to the Day on which such Non-Scheduled Outage or Non-Scheduled Derating will occur. In the event of an unexpected Non-Scheduled Outage or Non-Scheduled Derating, Resource Provider shall provide notice to PREPA by telephone or email as soon as reasonably practicable and, in all cases other than those qualifying as Force Majeure, no more than fifteen (15) minutes following the occurrence of such Non-Scheduled Outage or Non-Scheduled Derating. Thereafter, Resource Provider shall, as soon as reasonably practicable, provide PREPA with a written notice that includes (i) the event or condition, (ii) the date and time of such event or condition, (iii) the expected end date and time of such event or condition, (iv) for Non-Scheduled Deratings, the Energy Storage Services available during such event or condition, and (v) any other information reasonably requested by PREPA.

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c. Notwithstanding the delivery of a notice of a Non-Scheduled Outage or coordination with PREPA to resolve such event, the Facility shall be deemed unavailable for the duration of a Non-Scheduled Outage as applicable to the calculation of Facility Availability.

6.5 Emergencies

a. No later than the Initial Synchronization Date, each Party shall cooperate with the other in establishing written Emergency plans, including (i) recovery from a local or widespread electrical blackout, (ii) voltage reduction to effect load curtailment, (iii) policies for the delivery by PREPA to Resource Provider of prompt written notice of the occurrence of all Emergency and follow-up, and (iv) frequent status reports on any ongoing Emergency.

b. Resource Provider shall (i) make technical information and data available to PREPA concerning start-up times and black-start capabilities, (ii) promptly inform PREPA of any Emergency at or other material issues with the Facility or the Site, and (iii) if requested by PREPA, submit a remediation program setting out the actions Resource Provider shall take to mitigate the Emergency or other material issues at the Facility, and (iv) abide by such program.

c. If the Facility has a Scheduled Outage, Non-Scheduled Outage, Scheduled Derating or Non-Scheduled Derating and such event occurs or would occur coincident with an Emergency, then PREPA may request that Resource Provider make commercially reasonable efforts, consistent with Prudent Utility Practices, to reschedule the Scheduled Outage, Non-Scheduled Outage, Scheduled Derating or Non-Scheduled Derating, as applicable, or if such event has begun, to expedite the completion thereof.

6.6 Restoration of the Facility

a. Following any Emergency, Outage, or Derating, Resource Provider shall provide as much advance notice as reasonably practicable to PREPA of the date and time that it will bring the Facility back online, provided that Resource Provider shall furnish at least two (2) Days' prior notice for restoration from a Scheduled Outage or Scheduled Derating and at least two (2) hours' notice for restoration from a Non-Scheduled Outage, Non-Scheduled Derating or Emergency, in each case, in accordance with the Operating Procedures. PREPA shall have the right to rely on such notice for purposes of delivering Dispatch Notices and Charge Notices to Resource Provider.

b. Resource Provider shall return the Facility at the end of an Outage or Derating to a Stored Energy Level equal to the Stored Energy Level immediately prior to such Outage or Derating, and the Outage or Derating shall not end until such amount of Energy has been restored. Resource Provider shall bear the costs of Energy required to charge and discharge the Facility during the Outage or Derating (unless a PREPA Risk Event directly causes such Outage or Derating), including those costs needed to restore the Energy stored in the Facility to the Stored Energy Level immediately prior to the start of the Outage or Derating. If a PREPA Risk Event causes an Outage or Derating, then PREPA shall have responsibility for managing, purchasing, scheduling and delivering the Charge Energy required to restore the Energy stored in the Facility to the Stored Energy Level immediately prior to the start of the Outage or Derating in accordance with Section 7.4 (*Charge Energy Obligations*).

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6.7 Communication

Resource Provider shall provide, install, commission, maintain, repair, and replace (as necessary), at its own cost and expense, the following communication facilities linking the Facility with PREPA:

a. one (1) Remote Terminal Unit ("**RTU**"), including setup installation and configuration reasonably specified by PREPA;

b. two (2) independent telecommunication circuits, including one (1) voice grade to link the SCADA system to the Facility's RTU using distributed network 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 reasonably specified by PREPA;

c. a voice telephone extension to communicate with PREPA's Monacillos Transmission Center and Ponce Transmission Center;

d. a telephone line and equipment to transmit and receive e-mail messages to confirm oral communication between PREPA and Resource Provider; and

e. for recording the power disturbance caused by electro-mechanic swings and to measure the system response to the swing disturbance, dynamic system monitor equipment, components, and system which comply with the requirements of Appendix N (*Technical Specifications for the Dynamic System Monitor*).

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PREPA shall have the right to approve items provided by Resource Provider in accordance with this Section 6.7, which approval PREPA shall not unreasonably withhold or delay.

6.8 Record Keeping

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 all matters relating to this Agreement.

b. Resource Provider shall maintain such records and data 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 each of the Parties; provided that neither Party shall dispose of or destroy any records without thirty (30) Days' prior written 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 deliver to it certain records at the requesting Party's sole cost and expense. No more than ten (10) Days from receipt of such notice, the Party proposing to dispose of or destroy such records shall deliver any records requested by the requesting Party.

c. Resource Provider shall maintain, in physical and electronic copy, (i) as-built drawings, operation and maintenance manuals and other detailed technical documentation for design, engineering, construction, testing, commissioning, operation, maintenance, and repair of the Facility, and (ii) an accurate and up-to-date operating log at the Facility with records of (1) real and reactive power for each hour, (2) changes in operating status, Outages,

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Deratings or Emergencies, charging and discharging (including charging and discharging efficiency), Station Use consumption and efficiency, Stored Energy Level, and Facility Availability (including availability to charge and discharge and State of Charge), (3) any unusual conditions found during inspections, (4) any safety incident, accident or other occurrence at the Site that results in injury to persons or damage to property, (5) electrical characteristics of the Facility and settings or adjustments of the Facility's control equipment and protective devices, (6) maintenance performance, (7) all material data in relation to Performance Tests and other testing, Performance Guarantee, metering, invoicing, payments, Claims, reimbursements, credits and any other charges to PREPA, and (8) any other significant events related to the operation of the Facility.

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 books, accounts, records, and other data of the other Party relating to the proper administration of this Agreement any time during the period that this Agreement requires the records to be maintained.

e. Resource Provider shall deliver to PREPA a Monthly operations and maintenance report by the tenth (10^{th}) Day of each Month describing operations and maintenance activities performed in respect of the Facility during the previous Month.

6.9 Supply Period Performance Tests

a. During each Agreement Year of the Supply Period, PREPA shall have the right to request Resource Provider to perform up to two (2) PREPA Performance Tests in accordance with the Testing Protocol. PREPA's decision to forgo any such test is not a waiver of PREPA's right to request any subsequent Performance Tests.

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b. Resource Provider shall submit to PREPA, for evaluation and approval, all Performance Tests reports certified by an experienced and duly qualified independent laboratory or company with specialized expertise in acceptance and other relevant tests of renewable power generating facilities evidencing that the Facility satisfies each of the MTRs and the Performance Guarantee. PREPA shall have the right to approve such laboratory or company, which approval PREPA shall not unreasonably withhold or delay. For the avoidance of doubt, Resource Provider acknowledges and agrees that PREPA will not accept manufacturers' test reports as evidence of compliance with this requirement.

c. Resource Provider shall coordinate with, and the Performance Tests shall be witnessed by, PREPA's personnel and the Independent Expert. Resource Provider shall provide PREPA with at least thirty (30) Days' advance written notice of all Performance Tests, field tests or other matters that PREPA may witness hereunder. The Parties shall cooperate in good faith to determine mutually acceptable dates for such testing of all Performance Tests.

d. Resource Provider may request to perform an additional Performance Test ("**Resource Provider Performance Test**") (i) if, as a result of a Performance Test, the Monthly Contract Capability is adjusted downward pursuant to Appendix F (*Compensation*), (ii) upon the completion of Scheduled Outage, or (iii) if the results of a PREPA Performance Test are outside the standards specified in the Testing Protocol. A Resource Provider Performance Test shall commence no later than ten (10) Business Days after completion of the PREPA Performance Test showing the low test results, or the completion of the Scheduled Outage, and Resource Provider shall perform such Resource Provider

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Performance Test in accordance with the Testing Protocol, except that (A) Resource Provider shall provide PREPA with notice of its request to test and the proposed starting and end times of the Resource Provider Performance Test no later than three (3) Business Days before it commences, and (B) PREPA shall evaluate Resource Provider's proposal and, in its sole discretion, either grant such request or identify two (2) alternative start and stop times from which Resource Provider may elect, and to which PREPA will consent. The Tested Duration Energy, as determined through the Resource Provider Performance Test, will be used to determine the Monthly Contract Capability in the same manner as the Tested Duration Energy determined through a PREPA Performance Test.

6.10 Network Security

Resource Provider shall use commercially reasonable efforts to prevent Malware from accessing any aspect of the Energy Storage Services, the Facility, or any other information systems, operating environments and processes used or relied upon by Resource Provider to provide the Energy Storage Services, including the information, data and other materials delivered by or on behalf of Resource Provider to PREPA, the customers of PREPA, or any third party providers (collectively, the "**Environment**"). Throughout the Term, Resource Provider shall implement improvements to, and upgrades of, its Malware prevention and correction programs and processes consistent with the then-current National Institute of Standards and Technology industry standards and, in any case, no less robust than the programs and processes implemented by Resource Provider in respect of its own information systems. If Malware enters the Environment, Resource Provider shall notify PREPA as soon as it becomes aware of such presence and take immediate action, at Resource Provider's cost, to eliminate and remediate the Malware effects. Resource Provider shall regularly, and otherwise at the request of PREPA, provide sufficient evidence of its efforts to continuously monitor and evaluate the effectiveness of Resource Provider's information security safeguards. Resource Provider shall require that its subcontractors also comply with the obligations of Resource Provider under this Section 6.10.

7. DISPATCHING & CHARGING OBLIGATIONS

7.1 Dispatching

a. Without prejudice to the requirements of Appendix F (*Compensation*), PREPA shall have the right, exclusively by providing Dispatch Notices to Resource Provider in accordance with the Operating Procedures, to direct Resource Provider to dispatch the Facility seven (7) Days per week and twenty-four (24) hours per Day (including holidays) from the Initial Synchronization Date until the expiry of the Supply Period, and such right shall include the right to require Resource Provider to (i) subject to Section 7.3, curtail, reduce or increase the Energy Storage Services, and (ii) disconnect or connect the Facility, in each case in accordance with:

1. Prudent Utility Practices (such as reasons affecting 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, improvements, and Emergencies);

2. the requirements of Applicable Law and Permits; and

3. the Operating Procedures,

in each case subject to the Operating Characteristics and the Scheduled Maintenance Program.

b. Subject to paragraph (c) of this Section 7.1, each Dispatch Notice shall remain effective for the duration of the dispatch period specified therein unless and until PREPA modifies such Dispatch Notice by providing Resource Provider with an updated Dispatch Notice. If PREPA cannot issue an electronic submittal for reasons beyond PREPA's control, PREPA may provide Dispatch Notices by (in order of preference, unless the Parties agree to a different order) electronic mail, facsimile transmission or telephonically to Resource Provider's personnel designated in the Operating Procedures to receive such communications.

c. If PREPA submits a Dispatch Notice that directs action which does not conform with the Operating Characteristics, then Resource Provider shall promptly notify PREPA of the non-conformity and PREPA shall modify its Dispatch Notice to conform to the Operating Characteristics. Until PREPA submits a modified Dispatch Notice, Resource Provider shall, as applicable, dispatch the Facility in accordance with the Operating Characteristics, and the Facility will not be deemed unavailable, but only to the extent the Facility was otherwise available but could not be dispatched because of its inability to operate outside of the Operating Characteristics.

7.2 Curtailment for Breach

Notwithstanding Section 7.1 (*Dispatching*) and without prejudice to the requirements of Appendix F (*Compensation*), PREPA shall have the additional right to curtail or reduce the Dispatch Notices, or disconnect the Facility, during the Supply Period, and Resource Provider shall have no right to any Claim for compensation or otherwise, when Resource Provider fails to:

a. operate the Facility in accordance with this Agreement or the MTRs, provided that for any modifications to the MTRs under Section 4.2 (*Modifications*), Resource Provider has had a reasonable period of time to comply with such modification pursuant to paragraph (e) of Section 4.2 (*Modifications*);

b. successfully complete the Resource Provider Performance Tests requested by PREPA under paragraph (a) of Section 6.9 (*Supply Period Performance Tests*) with reasonable prior notice; or

c. maintain the Facility PSS/E mathematical models in accordance with this Agreement, provided that (i) PREPA has given Resource Provider thirty (30) Days' notice of Resource Provider's failure to comply with the foregoing, and (ii) Resource Provider may reasonably perform such upgrade within that time period.

For the avoidance of doubt, any curtailment, reduction or disconnection shall end at the instruction of PREPA, which PREPA shall give promptly after Resource Provider cures such non-compliance.

7.3 Charging

Following the Commercial Operation Date:

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a. PREPA shall have the right, by providing Charge Notices to Resource Provider in accordance with the Operating Procedures, to direct Resource Provider to charge the Facility from the Grid System seven (7) Days per week and twenty-four (24) hours per Day (including holidays), from the Initial Synchronization Date until the expiry of the Supply Period in accordance with:

1. Prudent Utility Practices (such as reasons affecting 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, improvements, and Emergencies);

2. the requirements of Applicable Law and Permits; and

3. the Operating Procedures,

in each case subject to the Operating Characteristics and the Scheduled Maintenance Program;

b. subject to paragraph (c) of this Section 7.3, each Charge Notice shall remain effective for the duration of the charge specified therein unless and until PREPA modifies such Charge Notice by providing Resource Provider with an updated Charge Notice. If PREPA cannot issue an electronic submittal for reasons beyond PREPA's control, PREPA may provide Charge Notices by (in order or preference, unless the Parties agree to a different order) electronic mail, telephonically or by facsimile transmission to Resource Provider's personnel designated in the Operating Procedures to receive such communications;

c. if PREPA submits a Charge Notice that does not conform with the Operating Characteristics, then Resource Provider shall promptly notify PREPA of the non-conformity and PREPA shall modify its Charge Notice to conform to the Operating Characteristics. Until such time as PREPA submits a modified Charge Notice, Resource Provider shall, as applicable, charge the Facility in accordance with the Operating Characteristics, and the Facility will not be deemed unavailable, but only to the extent the Facility was otherwise available but could not be charging because of its inability to operate outside of the Operating Characteristics; and

d. Resource Provider shall draw Energy in connection with a Charge Notice only from the Grid System.

7.4 Charge Energy Obligations

a. Except as set forth in this Section 7.4, Sections 6.6 (*Restoration of the Facility*), 7.5 (*Station Use*) and 7.6 (*Unauthorized Charge*), or as expressly set forth in this Agreement, PREPA shall have responsibility for managing, purchasing, scheduling and making available at the Interconnection Point from the Grid System all of the Charge Energy for the Facility in respect of such notice.

b. Resource Provider shall take all actions necessary to accept the Charge Energy at and from the Interconnection Point as part of providing the Energy Storage Services, including maintenance, repair or replacement of equipment in Resource Provider's possession or control used to deliver the Charge Energy to the Facility, in all cases in accordance with the terms of this Agreement.

c. PREPA shall hold title to, possession of, and risk of loss of the Charge Energy up to the Interconnection Point, and Resource Provider shall take title to, possession of, and risk of loss of the Charge Energy at and from the Interconnection Point.

d. Resource Provider shall only use Charge Energy for its own use or for PREPA's benefit in accordance with the terms of this Agreement.

7.5 Station Use

Resource Provider shall have sole responsibility for the purchase and delivery of Energy to satisfy Station Use requirements, it being understood that the Facility will not supply Energy for Station Use.

7.6 Unauthorized Charge

During the Supply Period:

a. Resource Provider shall not charge the Facility other than pursuant to and as directed in a Charge Notice, or in connection with a PREPA Performance Test.

b. If Resource Provider charges the Facility (i) to a Stored Energy Level greater than the Stored Energy Level provided for in the Charge Notice or in any other manner contrary to a Charge Notice, or (ii) without a Charge Notice (other than in connection with a PREPA Performance Test) (the circumstances described in (i) and (ii) each, an "**Unauthorized Charge**"), then (a) Resource Provider shall bear the cost of all Energy associated with such charging, and (b) PREPA shall have the right to discharge such Energy without notice or additional cost and to retain all of the benefits associated with such discharge, without credit to Resource Provider; and

c. Resource Provider shall bear any charges, sanction, or penalties associated with an Unauthorized Charge.

7.7 Operation in Storage Mode

If the State of Charge of the Facility exceeds zero percent (0%), and PREPA has not issued to Resource Provider either a Dispatch Notice to dispatch the Facility or a Charge Notice to charge the Facility, Resource Provider shall operate the Facility in Storage Mode, subject to the Operating Characteristics.

8. METERING

8.1 Meter Ownership & Maintenance

a. PREPA shall own and maintain the meters and metering equipment used to measure the delivery and receipt of Charge Energy, Discharge Energy and Ancillary Services (the "**Main Meters**"). Resource Provider shall install the Main Meters and all other meters and metering equipment at the Interconnection Point, as well as Resource Provider's back-up meters and metering equipment at the Facility to measure Discharge Energy, Ancillary Services and Charge Energy, in accordance with Appendix H (*Interconnection Description and Specifications*). The Main Meters must not measure Station Use, which Resource Provider shall meter separately in accordance with paragraph (b) of this Section 8.1.

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b. Resource Provider shall separately install and meter Station Use with a revenue quality meter or meters, installed in accordance with Appendix H (*Interconnection Description and Specifications*) and conforming to the electrical service requirements, metering, and applicable tariffs applicable to Station Use (**"Station Use Meters"**). PREPA shall own and maintain the Station Use Meters. The Station Use Meters must not measure Discharge Energy and Ancillary Services, which Resource Provider shall meter separately in accordance with paragraph (a) of this Section 8.1.

c. The Main Meters, Station Use Meters and the back-up meters and metering equipment shall meet PREPA's specifications and be subject to PREPA's approval (not to be unreasonably withheld, delayed or conditioned), and which decision PREPA shall communicated to Resource Provider no later than ten (10) Business Days after Resource Provider's notice to PREPA regarding the installation of the proposed meters.

8.2 Meter Inspection

PREPA shall seal the Main Meters and the Station Use Meters. PREPA personnel may only break the seals for inspection, testing or adjustment of the meters performed in accordance with this Agreement. PREPA shall give Resource Provider ten (10) Business Days' prior written notice thereof and Resource Provider 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.

8.3 Meter Testing & Calibration

a. At least annually, at PREPA's cost and, in addition from time to time upon ten (10) Business Days' prior written notice by either Party at its cost (unless the results demonstrate that meters for which PREPA has operation and maintenance responsibility fall outside of the limits established in American National Standard Institute Code for Electricity Metering (ANSI C12.16, latest version: "ANSI C12.16"), in which case PREPA shall bear the cost of such additional tests), PREPA will test and verify the calibration of the Main Meters and backup meters, in accordance with the provisions for meter testing as established by ANSI C12.16. When, as a result of such a test, PREPA finds the Main Meters within the range specified by the standard, PREPA shall not adjust the amount paid to Resource Provider for the Energy Storage Services provided to PREPA. If PREPA finds a Main Meter or backup meter outside the range specified by the standard, then the Party owning such defective or inaccurate device shall adjust, repair, replace, and/or recalibrate such device as near as practicable to a condition of zero (0) error (subject to Section 5.4 (*Resource Provider Interconnection Facilities*)) at that Party's expense. If PREPA finds the Main Meters outside the range specified by the standard, and the backup meters within such range, then the Parties shall use the backup meters to calculate the correct amount of Energy Storage Services delivered (reasonably adjusted for line losses) to PREPA for the actual period during which the Main Meters experience inaccurate measurements.

b. If the Parties cannot determine the actual period during which inaccurate measurements were made, they shall use 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. If PREPA finds the Main Meters outside the range specified by the standard, and either the backup meters are not available, or testing demonstrates the backup meters are also out of calibration, each Party shall adjust its meters, and the Parties shall use the corrected meter readings of the most accurate meter

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for the actual period during which inaccurate measurements were made (reasonably adjusted for line loses where appropriate). If the Parties cannot determine the actual period during which inaccurate measurements were made, the Parties shall use 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.

c. To the extent that the adjustment period covers a period of deliveries for which PREPA has already remitted payment, PREPA shall use the corrected measurements as determined in accordance with this Section 8.3 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, PREPA shall pay the difference to Resource Provider. If the difference is a negative number, Resource Provider shall pay the difference to PREPA, or PREPA may offset such amounts against payments due to Resource Provider by PREPA hereunder. The owing Party shall make the payment or credit of such difference no later than thirty (30) Days after the owing Party receives written notice of the amount due, unless PREPA elects (via written notice to Resource Provider) 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 there are broken seals or the other Party is performing tests, and other matters affecting the accuracy of the measurement of electricity delivered from the Facility.

8.4 Meter Reading

During each one (1) Year period from and after the Initial Synchronization Date, PREPA shall read the meters on a Monthly basis (prior to the last Day in each Month and, in any event, at least twelve (12) times per Year (prorated for any partial Year)) to determine the amount of Energy Storage Services provided 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 Resource Provider with a written statement containing the reading details and totals within ten (10) Days following the end of each Billing Period. PREPA shall notify Resource Provider of any site meter readings and Resource Provider may, at its option, be present for such reading.

8.5 Data

From the Initial Synchronization Date until the expiration of the Supply Period, Resource Provider shall own all data and information recorded from operation, scheduling, charging, dispatch, testing, and maintenance of the Facility, and Resource Provider shall be deemed to have granted to PREPA a non-terminable, transferable, non-exclusive, royalty free and cost free license to copy and use such data and information for the purpose of modeling the Grid System and assessing the operation, scheduling, charging, dispatch, metering and testing of the Facility during the Supply Period.

9. SALE & PURCHASE

9.1 General

a. Resource Provider agrees to provide and sell Energy Storage Services, including all of the Product produced by the Facility, exclusively to PREPA in accordance with this Agreement.

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b. PREPA agrees to pay for the Energy Storage Services, including the Product produced by the Facility, through Monthly Payments determined in accordance with Appendix F (*Compensation*), from the Initial Synchronization Date until the expiration of the Supply Period, subject to the terms of this Agreement.

9.2 Title & Risk of Loss

The Discharge Energy that Resource Provider makes available to PREPA under this Agreement shall become the property of PREPA at the Interconnection Point, at which point title to the Discharge Energy and all risk of loss associated with the Discharge Energy shall transfer to PREPA. PREPA reserves the right to retain all rights, title, benefits, and other interest in, arising out of or related to, the generation, transmission, distribution, or supply of such Discharge Energy that it or any of its Affiliates may realize through its existing or future power generation sources (including the Facility), customer agreements or other projects or improvements to the Grid System.

9.3 Right of Resale

PREPA shall have the right to resell all or any portion of the Product purchased under this Agreement, and Resource Provider shall, at no cost to PREPA, take all other reasonable actions from and after the Initial Synchronization Date to assist PREPA in receiving, and otherwise ensure that PREPA can receive and resell the Product, including submission of any reports or filings with applicable Governmental Authorities.

9.4 Ancillary Services

The Parties acknowledge and agree that PREPA may, from time to time after the Commercial Operation Date, request Resource Provider to provide PREPA with the Ancillary Services specified in the MTRs by delivering notice thereof to Resource Provider pursuant to Article 7 (*Dispatching & Charging Obligations*). Resource Provider shall provide such services in accordance with such request, in partial consideration of the Monthly Payments and for no additional cost.

9.5 Green Credits

If, at any time during the Term, Resource Provider accrues a right to Green Credits associated with the provision of the Energy Storage Services, or otherwise generated in connection with the operation of the Facility, then contemporaneously with the provision of such Energy Storage Services or Facility operation, as applicable, and in partial consideration for the Monthly Payments, Resource Provider shall convey to PREPA, at no additional cost, all such Green Credits. The Parties shall execute all documentation required to confirm the registration of such Green Credits with the North American Renewables Registry or another similar registry acceptable to Resource Provider and PREPA (the "**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 Resource Provider's expense. 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 during the Supply Period shall inure to the benefit of, and remain the property of, PREPA.

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9.6 Improvement in Financial Conditions

a. Following PREPA's emergence from the PREPA Bankruptcy, if Resource Provider enters into any refinancing, or obtains financing on more favorable terms than anticipated prior to the signing of this Agreement, the Parties shall cooperate and discuss in good faith an adjustment to the Capability Payment Price to share the benefit of any savings accruing to Resource Provider from such refinancing.

b. If Resource Provider would qualify for loans, credit support, guarantees or other support from the United States Department of Energy (collectively, "**DOE Funding**") but for specific provisions of this Agreement that may be amended to enable Resource Provider to qualify for DOE Funding, and such amendments are consistent with those that have been approved and agreed by the United States Department of Energy and a Governmental Authority of Puerto Rico, then PREPA shall cooperate with Resource Provider to negotiate and agree on amendments to this Agreement reasonably required to enable Resource Provider to qualify for DOE Funding. If such DOE Funding would result in more favorable debt or equity financing terms than were anticipated prior to the signing of this Agreement (assuming no such DOE Funding would have been achieved in the absence of amendments agreed upon pursuant to this subparagraph), then Resource Provider shall cooperate in good faith with PREPA to negotiate and agree on amendments reasonably required to reflect an adjustment to the Capability Payment Price to share the benefit of any savings accruing to Resource Provider as a consequence of its qualification for such DOE Funding.

c. For the avoidance of doubt, the Parties shall only amend this Agreement in accordance with this Section 9.6 (*Improvement in Financial Conditions*) if mutually agreed by the Parties in their sole discretion.

10. PAYMENT & BILLINGS

10.1 Invoicing for Monthly Payment

a. On or before the fifteenth (15th) Day following the end of each Billing Period (or if later, within five (5) Days after Resource Provider receives the meter reading data pursuant to Section 8.4 (*Meter Reading*)), Resource Provider shall provide PREPA with a written invoice for the Monthly Payment relating to such Billing Period. Each invoice shall include, as applicable, the Monthly Fixed Payment, Other Payment Adjustments, Discharge Energy, Charge Energy, Ancillary Services, Green Credits, the Balance, information necessary to determine Facility performance, insurance payments, credits or payments owing to PREPA, and an itemized statement of all other charges under this Agreement, as of such Billing Period.

b. PREPA shall use reasonable efforts to review each invoice and notify Resource Provider of any invoicing issues within thirty (30) Days after receipt thereof. Upon PREPA's request, Resource Provider shall furnish, within seven (7) Days, such further information as PREPA may reasonably request in support of the invoice. PREPA's delay in reviewing an invoice will not defer the due date for payment of amounts owed by PREPA under such invoice.

c. To the extent that an invoice complies with the requirements set forth in this Agreement, and subject to any direct agreement with Project Lenders, PREPA shall remit payment of undisputed amounts owed under such invoice no later than forty-five (45) Days after

PREPA's receipt of such invoice and all required supporting documentation and certifications. Resource Provider acknowledges and agrees that, subject to the expiration of the applicable cure period set forth in the form of direct agreement included at Appendix X (*Form of IF Completion Notice*) to cure such default, PREPA may withhold payment (without accruing Interest) beyond such date if and so long as Resource Provider has failed to provide evidence that it has maintained the insurance policies required by this Agreement and in accordance with Section 17.2 (*Tracking Account*), provided that PREPA may only withhold an amount equal to the premiums on the insurance policies required by this Agreement.

d. PREPA will charge all payments that it owes under this Agreement to PREPA's budget account number 01-4042-54710-050-668-0000 and estimates that its costs under this Agreement will not exceed eight hundred eighty-nine million two hundred twenty-nine thousand six hundred eleven dollars ($889,229,611). 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 Controller. This paragraph does not bind the Parties or modify any other provision of this Agreement.

e. If it is agreed or determined that PREPA has underpaid an invoice, then Interest shall accrue on the payments due to Resource Provider commencing on the Day after the date on which PREPA had the obligation to remit such payment pursuant to paragraph (c) of this Section 10.1, and continue until, but excluding, the actual payment date.

f. If it is agreed or determined that PREPA has overpaid an invoice, then PREPA shall have the right to deduct the amount of such overpayment (plus Interest, calculated from the date of such overpayment until, but excluding, the date of repayment, in such cases where the overpayment resulted from amounts stated in Resource Provider's invoices) from future payments in the immediately following Billing Period(s) until PREPA has received full credit for such overpayment.

10.2 Resource Provider Invoice Certification

Resource Provider shall submit all invoices in the form acceptable to PREPA and shall include in each such invoice the following certification:

No Interest Certification:

"We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship, which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the performance of the energy storage services provided is the agreed-upon price that has been negotiated with an authorized representative of PREPA. The total amount shown on this invoice is true and correct. The energy storage services have been rendered, and no payment has been received."

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Resource Provider's Signature

Resource Provider acknowledges that the above certification constitutes an essential requirement of this Agreement and that PREPA will not process for payment invoices provided without this certification. In order to comply with the certification requirements set forth above, Resource

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Provider shall require that its subcontractors also include the certification set forth above in any invoices submitted in connection with energy or services provided under this Agreement.

10.3 Invoice for Liquidated Damages and Other Amounts

If Liquidated Damages accrue under this Agreement or moneys are otherwise due from Resource Provider to PREPA in accordance with this Agreement, PREPA shall provide Resource Provider with a written invoice for such Liquidated Damages or other amounts, showing the basis for the calculation of the amounts payable by Resource Provider thereunder. Resource Provider shall use reasonable efforts to review each invoice and notify PREPA of any invoicing issues within ten (10) Business Days after receipt thereof. Resource Provider shall remit payment of amounts owed under such invoice no later than thirty (30) Days after Resource Provider's receipt of such invoice. If Resource Provider does not pay the full amount of any such invoice when due, any unpaid amount thereof shall bear Interest, from the Day following the due date until, but excluding the actual payment date.

10.4 Payment Set-Off

Notwithstanding the payment requirements set forth in this Article 10, PREPA shall have the right to set off any unpaid amounts due and owing to PREPA by Resource Provider pursuant to this Agreement, against the amounts due and owing to Resource Provider by PREPA, provided that (i) such amounts are undisputed, have been determined to be owed to PREPA by a final determination pursuant to Article 21 (*Dispute Resolution*), or are explicitly described in this Agreement, and (ii) PREPA has provided Resource Provider with five (5) Business Days' advance written notice describing in reasonable detail the amounts that PREPA will set off before effecting any such set off.

10.5 Payment Method

A Party shall make payments to the other Party by wire transfer to an account with a bank specified by such Party in writing, which such Party have notified to the other Party prior to the Agreement 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 becomes due. Either Party may, by written notice to the other Party, change the address to which the notifying Party remits such payments.

10.6 Disputed Invoices

The Parties shall use their reasonable efforts to resolve any Dispute regarding payment of any invoice issued under this Article 10 by amicable negotiation, provided that if the Parties fail to resolve such Dispute by the payment due date, then either Party may refer the Dispute for resolution in accordance with Article 21 (*Dispute Resolution*).

11. LIABILITY

11.1 General

From and after the Initial Synchronization Date, each Party shall have responsibility for the Energy and facilities located on its respective side of the Interconnection Point. Except as provided in Section 11.2 (*Foreseeable Damages*), Resource Provider shall have no liability 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.

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11.2 Foreseeable Damages

Subject to the terms of Section 2.3 (*Initial Effectiveness, Closing Date & Conditions Subsequent*), Section 11.3 (*No Liability*) and Section 11.5 (*Resource Provider Liability Cap*), each Party shall have liability for all foreseeable damages suffered by the other Party as a necessary consequence of the first Party's negligent performance or its omissions or failure to perform its respective obligations under this Agreement, including during any cure period in accordance with Article 15 (*Termination*), and as stated under Article 1168 of the Puerto Rico Civil Code; provided that the Party suffering foreseeable damages shall use commercially reasonable efforts to mitigate the extent or impact of any such damages. For purposes of this provision, the "foreseeable damages" shall include (without duplication) (i) if the Agreement is terminated due to the first Party's negligent performance or its omissions or failure to perform its respective obligations under this Agreement, the direct economic loss of the other Party, if any, resulting from termination of this Agreement, (ii) all costs, brokerage fees, commissions, legal expenses, and other similar transaction costs and expenses, reasonably incurred by the other Party in connection with the first Party's negligent performance or omissions or failure to perform its respective obligations under this Agreement, and (iii) with respect to Resource Provider, costs and losses to Resource Provider in respect of any debt financing of the Facility (including as a result of any acceleration of such debt).

11.3 No Liability

Neither Party nor its officers, directors, shareholders, agents, employees, and representatives shall, in any event, be liable to the other Party or its officers, directors, shareholders, agents, employees or representatives for Claims for incidental, consequential, special, punitive, 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 Claims made by either Party's customers or suppliers, Claims made by third parties, Claims made by either Party for lost profits (other than payments expressly contemplated by any provision of this Agreement) or Claims arising from Force Majeure; provided that nothing contained in this Section 11.3 shall exclude or limit a Party's liability for (x) fraud, willful misconduct or gross negligence or (y) the foreseeable damages expressly contemplated by clauses (ii) and (iii) of Section 11.2 (*Foreseeable Damages*).

11.4 Obligation to Pay

Nothing in this Article 11 shall relieve either Party of its obligation to make payments that become due pursuant to Article 10 (*Payment & Billings*).

11.5 Resource Provider Liability Cap

RESOURCE PROVIDER'S LIABILITY TO PREPA UNDER THIS AGREEMENT, WHETHER BASED ON CONTRACT, WARRANTY OR TORT, INCLUDING ERRORS OR OMISSIONS, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, OR ANY OTHER CLAIM OR CAUSE OF ACTION, WITH RESPECT TO ANY AND ALL CLAIMS SHALL NOT EXCEED THE AMOUNT EQUAL TO THE RESOURCE PROVIDER LIABILITY CAP; PROVIDED THAT (I) NOTHING CONTAINED IN THIS SECTION 11.5 (OTHER THAN CLAUSE (II) OF THIS SECTION 11.5) SHALL EXCLUDE OR LIMIT RESOURCE PROVIDER'S LIABILITY FOR THE EXCEPTIONS, (II) PRIOR TO SATISFACTION OF CONDITIONS SUBSEQUENT, RESOURCE PROVIDER'S LIABILITY TO PREPA UNDER THIS AGREEMENT SHALL NOT EXCEED THE FULL FACE AMOUNT OF THE BID SECURITY, AND (III) FOR PURPOSES OF DETERMINING RESOURCE PROVIDER'S LIABILITY UNDER THIS AGREEMENT,

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THE PARTIES SHALL DEDUCT THE PROCEEDS OF INSURANCE RECEIVED BY RESOURCE PROVIDER (OR WOULD HAVE BEEN RECEIVED HAD RESOURCE PROVIDER COMPLIED WITH THE TERMS OF THIS AGREEMENT), RELATING TO THE EVENT OR CIRCUMSTANCES WHICH RESULTED IN SUCH LIABILITY.

12. REPRESENTATIONS, WARRANTIES, & COVENANTS

12.1 Compliance with Law

The Parties shall, at all times and in all material respects, comply with Applicable Law, including the Bulk-Power System EO (if in effect) and any regulations or orders issued thereunder, and such other Laws applicable to (i) the use, occupancy, and operation of the Facility, and (ii) Resource Provider as an Electric Power Company or Electric Power Generation Company (each, as defined under Act 57-2014), as the case may be. Resource Provider shall give all required notices, shall procure and maintain all Permits for the Facility, and shall pay all charges and fees required in connection therewith. Resource Provider shall complete all environmental impact studies necessary for the design, construction, operation, and maintenance of the Facility. Once obtained, Resource Provider shall comply with, and promptly submit to PREPA copies of, all material Permits and other permits contemplated by this Section 12.1. Furthermore, pursuant to Section 5(f) of Act 120-2018 and subject to the provisions of this Agreement, Resource Provider shall at all times comply with the public policy and regulatory framework applicable to the Facility.

12.2 Fines & Penalties

Each Party shall have sole responsibility for the payment of any and all fines or other penalties incurred by 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, (i) in the case of Resource Provider, the development, construction, ownership and operation, maintenance or repair of the Facility, except to the extent that any act or omission of PREPA caused such noncompliance, and (ii) in the case of PREPA, the proper operation of the Grid System, except to the extent that any act or omission of Resource Provider caused such noncompliance, in each case as determined by applicable Governmental Authority having jurisdiction over the Facility, subject to the indemnification provisions of Article 13 (*Indemnification*).

12.3 Resource Provider Representations & Warranties

Resource Provider represents and warrants to PREPA on the Agreement Date as follows:

a. Resource Provider is a limited liability company, duly organized and validly existing under the Laws of the state of Delaware; and Resource Provider 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 Resource Provider of this Agreement have been duly authorized, and do not and will not (i) require any additional internal consent or approval of Resource Provider, the Sponsor or any Affiliate of either of them; or (ii) violate any provision of Resource Provider'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. Resource Provider is not in default under any document or instrument referred to in clause (ii) of paragraph (b) of this Section 12.3, which default could reasonably be expected to have a material adverse effect on the ability of Resource Provider to perform its obligations under this Agreement;

d. this Agreement constitutes a legal, valid, and binding obligation of Resource Provider, enforceable against Resource Provider 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 Resource Provider 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 Resource Provider or the ability of Resource Provider 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.

12.4 PREPA Representations & Warranties

PREPA represents and warrants to Resource Provider on the Agreement Date as follows:

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 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, including PREPA's agreement that all of PREPA's costs and obligations owed to Resource Provider under the Agreement constitute administrative expenses (i) has been duly authorized by PREPA's governing board in accordance with Applicable Law, (ii) does not and will not require any additional internal consent or approval of PREPA, (iii) does not require any approval from the PROMESA Court or any other additional external consent or approval, other than those approvals expressly identified in this Agreement, and (iv) does not and will not violate any Applicable Law, including 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. 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;

d. (i) Resource Provider's right to payment for charges validly incurred in accordance with this Agreement or owed by PREPA under this Agreement arise from a post-petition transaction with PREPA, (ii) the consideration made available by Resource Provider benefits PREPA, and supports PREPA's obligations, under this Agreement, and (iii) as a result of the foregoing, Resource Provider's right to payment for charges validly incurred in accordance with this Agreement or owed by PREPA under this Agreement during the PREPA Bankruptcy constitute reasonable and necessary expenses of preserving PREPA and an administrative expense; and

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e. other than the PREPA Bankruptcy, except as previously disclosed in writing, there is no pending action or proceeding in which PREPA 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 PREPA or the ability of PREPA 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.

12.5 Resource Provider Payments

PREPA shall exercise commercially reasonable efforts to ensure that Monthly Payments under this Agreement constitute necessary operating expenses.

12.6 Resource Provider's Financial Statements

For each of Resource Provider's fiscal years (or part thereof) during the Term, commencing with fiscal year 2022, Resource Provider shall deliver to PREPA audited financial statements of Sponsor or a consolidating shareholder (with a supplemental audit report for Resource Provider that includes the standalone financials of Resource Provider) for such fiscal year, prepared in accordance with GAAP, no later than one hundred eighty (180) Days following the completion of such fiscal year.

12.7 Resource Provider's Officers

If a change or substitution of one or more of Resource Provider's corporate officers occurs, then Resource Provider shall deliver to PREPA a certification of the names of its corporate officers.

12.8 Other Business

Resource Provider shall not (i) engage in any business activity other than as reasonably required to perform its obligations under this Agreement and the Interconnection Agreement, (ii) enter into any merger, consolidation or amalgamation with any entity, or (iii) demerge, separate or split into one or more entities, in each case, without PREPA's prior written consent, which shall not be unreasonably withheld, delayed or conditioned.

12.9 Confidentiality

a. Each Party (the "**Receiving Party**") shall keep all Agreement terms and information obtained from the other Party (the "**Disclosing Party**"), and not otherwise generally available to the public (but without limitation of any liability the Receiving Party may have to the Disclosing Party for information that becomes 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), confidential and use such information solely 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, 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, and to lenders, prospective lenders, investors and prospective investors. 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 any Governmental Authority requires a Receiving Party to disclose such information or requires such information to secure a governmental approval or

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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 paragraph (b) of this Section 12.9. In the event the Receiving Party cannot obtain a confidentiality agreement, such Receiving Party shall use commercially reasonable efforts to obtain through court action the appropriate protective order. Notwithstanding the foregoing and paragraph (a) of this Section 12.9, PREPA may disclose the terms and conditions of this Agreement to (i) FOMB, PREB, COR3, P3A, the PROMESA Court, and any Governmental Authority for the purpose of obtaining the consents and approvals, together with such additional information as may be required to obtain such consents and approvals, (ii) COR3, P3A, any owner of the Grid System, and any potential or then-existing T&D Operator and their respective advisors and lenders, and (iii) the Puerto Rico Controller through the filings required by Applicable Law, which will make this Agreement subject to the open records requirement.

12.10 Local Content

a. Resource Provider agrees to use its reasonable efforts when soliciting and obtaining personnel to perform services for the Facility in Puerto Rico, to ensure that individuals who are *bona fide* residents of Puerto Rico as defined in paragraph (c) of this Section 12.10 perform 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 thirty percent (30%) of the total personnel hours expended in Resource Provider's performance of the Energy Storage Services pursuant to this Agreement (following the Commercial Operation Date).

b. Resource Provider agrees to use its reasonable efforts when soliciting and selecting subcontractors and vendors to perform services for the Facility in Puerto Rico, to ensure that business concerns owned and controlled by one or more individuals, who are *bona fide* residents of Puerto Rico as defined in paragraph (c) of this Section 12.10, perform 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. For purposes of the preceding sentence, "**owned and controlled**" means a business: (i) owned at least fifty-one percent (51%) 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) one or more of such Persons (who need not be owners of the business) control the management and daily business operations.

c. For purposes of this paragraph (c), a *bona fide* resident of Puerto Rico means an individual who has been a resident of Puerto Rico immediately prior to commencing work on the Facility. To the extent that despite Resource Provider's reasonable efforts Resource Provider has failed to achieve the goals set forth in paragraphs (a) and (b) of this Section 12.10, Resource Provider may, for purposes of calculating satisfaction of such percentages of local content, 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. Resource Provider shall, in good faith, be entitled to rely on the representation of

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each individual applicant and of each subcontractor or vendor as to whether such individual, subcontractor or vendor meets the criteria set forth herein. Resource Provider shall require equivalent undertakings from its subcontractors.

d. Nothing contained herein shall be interpreted as obligating Resource Provider to take any action which would violate Applicable Law or any affirmative action program or equal opportunity obligation to which Resource Provider or its Affiliates are or may be bound under Applicable Law.

12.11 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.

12.12 Administrative Expense Treatment

PREPA and Resource Provider stipulate that this Agreement is a post-petition agreement executed after the PREPA Bankruptcy petition date and entitled to administrative expense treatment under PROMESA and the Bankruptcy Code. Further, PREPA stipulates that all of Resource Provider's costs and obligations owed to Resource Provider under this Agreement will be treated as administrative expenses and that it will support such recovery in any proceeding before any relevant court.

13. INDEMNIFICATION

13.1 General

Subject to the other provisions of this Article 13, each Party (the "**Indemnifying Party**") shall indemnify and hold harmless the other Party and each of its Indemnitees from and against any and all Claims by 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.

13.2 Notice of Claim

In the event any Party to this Agreement receives notice of any Claim for which such Party elects to assert a right of indemnification under this Article 13 the Party receiving such notice shall give prompt written notice to the other Party of such 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 (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 her choosing, but in such event, such Party shall bear the cost and expense of said additional counsel.

13.3 Claims Arising From Environmental Harm

Resource Provider shall indemnify and hold harmless PREPA, and each of its Indemnitees, against any and all Claims arising directly or indirectly out of any environmental harm due to the actions of Resource Provider or Resource Provider's agents or employees during the design, development,

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construction or operation of the Facility as a result of, in each case 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 Resource Provider fails to reimburse PREPA for such Claims within thirty (30) Days of receipt of written notice from PREPA stating that such Claims were incurred (including reasonable documentation of such Claims), PREPA may offset the amount of such Claims against amounts due to Resource Provider from PREPA under this Agreement. In the event Resource Provider disputes that Claims are due to the actions of Resource Provider or Resource Provider's agents, the Parties shall resolve such Dispute pursuant to Article 21 (*Dispute Resolution*), and PREPA shall not offset any such disputed amounts until final settlement under Article 21 (*Dispute Resolution*).

14. FORCE MAJEURE

14.1 General

"**Force Majeure**" means, subject to Section 14.2 (*Instances of Force Majeure*), any event or circumstance beyond the reasonable control of the affected Party (the "**Affected Party**") and not resulting from the fault or negligence of the Affected Party claiming the Force Majeure, which wholly or partially prevents the Affected Party from performing any of its obligations under this Agreement, but only if and to the extent that:

a. the Affected Party could not have prevented, avoided, or removed such circumstance, despite the exercise of reasonable diligence consistent with Prudent Utility Practices;

b. the Affected Party has taken all reasonable precautions, due care, and reasonable alternative measures in order to (i) avoid the effect of such event or circumstance on the Affected Party's ability to perform such obligation under this Contract, and (ii) mitigate the consequences thereof;

c. such event or circumstance did not directly or indirectly arise out of the breach by the Affected Party of any of its obligations under this Agreement or the fault or negligence of the Affected Party; and

d. the Affected Party has given the other Party ("**Non-Affected Party**") notice of such event or circumstance in accordance with Section 14.3 (*Notice*).

Except as provided in Section 14.4 (*Consequences*), Force Majeure shall excuse the Affected Party claiming the Force Majeure from performing the obligation affected by such Force Majeure and the Affected Party shall have no liability for damages or otherwise to the extent caused by such non-performance. The Affected Party shall bear the burden of proving whether Force Majeure has occurred.

14.2 Instances of Force Majeure

Provided that a claim of Force Majeure satisfies the requirements of Section 14.1 (*General*), Force Majeure may include, without limitation, the following events: (i) the act or failure to act of any Governmental Authority (including any Change in Regulatory Law or other Change in Law), any Pending Permit Delay, acts of public or foreign enemy, war, invasion, rebellion, terrorism, sabotage, sanctions, riots, insurrections, civil or industrial disturbances, strikes (national and other general strikes), lockouts, boycotts, works to rule, go-slows and other public agitation, and blockades; (ii) acts of God, epidemics, pandemics, earthquakes, storms, tornado, drought, hail, plague, lightning, hurricane, natural calamity, floods, fires, and explosions; (iii) failure or delay of

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any subcontractor or supplier of the Affected Party to perform (1) as a result of an event that would constitute Force Majeure hereunder or (2) as a result of delays in the delivery of major equipment to be incorporated into the Facility beyond the timeline assumed in Appendix D (*Milestone Schedule*) of the Agreement, provided that Resource Provider shall have exercised and continues to exercise commercially reasonable efforts to secure such major equipment promptly after Satisfaction of Conditions Subsequent; (iv) port congestion or closure or (v) prior to the Initial Synchronization Date, inability to secure necessary project goods or labor at prices less than ten percent (10 %) above prevailing market prices as of the Agreement Date as a result of one or more events that materially limit the availability, materially delay the delivery, or materially increase the cost, of such necessary project goods or labor after such date. Notwithstanding the foregoing, Force Majeure shall expressly not include:

a. the bankruptcy or inability to pay of a Party or any of its subcontractors or suppliers at any tier;

b. breakdown or defect of temporary works or Resource Provider's equipment or any subcontractor's equipment, other than breakdown caused by a separate Force Majeure;

c. any changes in prevailing market prices for goods, fuel, or labor, other than as described in clause (v) of this Section 14.2;

d. strikes, lockouts, works to rule, go-slows, and other industrial disturbances that are limited to personnel of the Affected Party and any of its Affiliates; or

e. any failure by a Party to obtain and/or maintain a Permit, other than in the case of a Pending Permit Delay.

14.3 Notice

A Party claiming Force Majeure shall, within ten (10) Days after the occurrence, or on or promptly after the date it first becomes aware of such Force Majeure, give the Non-Affected Party written notice thereof, describing (i) the particulars of such occurrence, (ii) an estimate of the duration of the impact of such event on the Affected Party's ability to perform its obligations, and (iii) how such claim otherwise satisfies the requirements of Section 14.1 (*General*), provided that if the Affected Party fails to notify the other Party within such ten (10) Day period, the Affected Party will not be precluded from claiming Force Majeure, but Force Majeure will be deemed to have commenced as of the date on which such notice is given.

14.4 Consequences

Subject to Appendix F (*Compensation*), neither Party shall be excused by reason of Force Majeure from the obligation to make any payments when due to the other Party.

14.5 Disputes

If a Party Disputes the other Party's claim of Force Majeure, such Dispute shall be resolved pursuant to Article 21 (*Dispute Resolution*).

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15. TERMINATION

15.1 Termination Date

Subject to Section 15.2 (*No Discharge of Obligations*), this Agreement shall automatically terminate on the earlier to occur of:

a. expiration of the Term;

b. mutual consent of the Parties in writing;

c. following the occurrence of a Default, termination of the Agreement by the non-defaulting Party, provided that the defaulting Party cannot or fails to cure such Default within thirty (30) Days of having received a written notice by the non-defaulting Party;

d. [reserved]

e. prior to the Initial Synchronization Date only, the determination by Resource Provider (as notified to PREPA in writing) to terminate this Agreement and the Interconnection Agreement upon the continuance of a Pending Permit Delay in excess of eighteen (18) Months; or

f. termination of this Agreement by a Party in accordance with Section 15.3 (*Termination for Prolonged Force Majeure*),

provided that (i) such termination under paragraphs (a), (b), (e) or (f) shall occur without any additional liability to either Party, and (ii) for a termination under paragraph (c) with respect to a Construction Start Termination Event, Resource Provider's liability in respect of such termination shall not exceed the Security Amount, in each case subject to Section 15.2 (*No Discharge of Obligations*).

15.2 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 shall survive such events pursuant to the terms of this Agreement, including Articles 11 (*Liability*), 13 (*Indemnification*), 14 (*Force Majeure*), 15 (*Termination*), 21 (*Dispute Resolution*) and 22 (*Miscellaneous Provisions*), Sections 2.5 (*Performance Security*), 3.5 (*Delay Liquidated Damages*), 6.8 (*Record Keeping*), 12.9 (*Confidentiality*), 16.3 (*Certain Material Breaches*), and 17.2 (*Tracking Account*), and Appendix P (*Performance Guarantee*). The Articles, Sections, and Appendices designated in the preceding sentence shall survive the Termination Date, provided that Section 12.9 (*Confidentiality*) and Article 13 (*Indemnification*) shall expire on the second (2nd) anniversary of the Termination Date. Without limiting the foregoing, termination of this Agreement shall not discharge either Party 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 that have occurred or arisen) prior to the Termination Date. 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.

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15.3 Termination for Prolonged Force Majeure

a. Subject to clause (d) below, Resource Provider shall have the right, but not the obligation, to terminate this Agreement if a PREPA Risk Event under paragraph (a), (b) or (e) of the definition of PREPA Risk Event prevents PREPA from performing any of its obligations under this Agreement for a continuous period of eighteen (18) Months, provided that, if PREPA elects in such event to continue paying for PREPA Delay Liquidated Damages or the Capability Payment Price, as applicable, beyond such eighteen (18)-month period and actually makes such payments in full within thirty (30) Days of when due (other than disputed amounts, which the Parties shall resolve in accordance with Article 21 (Dispute Resolution)), Resource Provider shall not have the right to terminate this Agreement pursuant to this clause (a).

b. Subject to clause (d) below, Resource Provider shall have the right, but not the obligation, to terminate this Agreement if (i) any Force Majeure prevents Resource Provider from performing any of its obligations under this Agreement for a continuous period of eighteen (18) Months, and (ii) in the case of Natural Force Majeure, the Parties agree, or it is determined by an Independent Expert, that the Facility cannot be repaired, reconstructed, or replaced on a commercially feasible basis taking into account the insurance proceeds required to be applied to such repair, reconstruction, or replacement under Section 18.5 (Application of Proceeds) and any other amounts in the Facility accounts available for such repair, reconstruction, or replacement (excluding, for the avoidance of doubt, funds on deposit in any debt service reserve account and any other funds held for application to debt service).

c. Subject to clause (d) below, PREPA shall have the right, but not the obligation, to terminate this Agreement if a Force Majeure prevents PREPA or Resource Provider from performing any of its obligations under this Agreement for a continuous period of eighteen (18) Months.

d. If a Party wishes to exercise its right to terminate this Agreement pursuant to clauses (a), (b), or (c) above, it shall issue a notice of termination to the other Party specifying the date on which the Party giving such notice proposes to terminate this Agreement, which date shall not be less than sixty (60) Days from the date of such notice. At midnight on the notified date, provided that the event giving rise to such notice of termination is continuing (including, in the case of clause (a) above, non-payment of the PREPA Delay Liquidated Damages or the Capability Payment Price due under this Agreement), this Agreement shall terminate, unless the Parties otherwise agree in writing.

16. DEFAULT

16.1 Events of Resource Provider Default

The following events shall constitute a "**Resource Provider Default**" under this Agreement:

a. the provision of materially incorrect or misleading information, representation or certification submitted (or made) by Resource Provider in connection with either (i) the submission of Resource Provider's proposal to PREPA in response to the RFP, or (ii) the execution, delivery or performance by Resource Provider of this Agreement, relating to either (a) corruption or bribery matters, or (b) a representation made by Resource Provider under Section 16.3 (*Certain Material Breaches*);

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b. (i) Resource Provider Default in the observance or performance of any covenant contained in Section 2.5 (*Performance Security*), or (ii) if the Conditions Subsequent set out in Part 2 of Appendix C (*Conditions Subsequent*) have occurred, then default by Resource Provider in satisfying its Conditions Subsequent in Part 1 of Appendix C (*Conditions Subsequent*) by the Conditions Subsequent Deadline, in each case where such default continues uncured for a period of at least thirty (30) Days after the date on which Resource Provider receives written notice from PREPA of such failure;

c. failure to remit in full any amount due and payable under this Agreement to PREPA, which Resource Provider fails to cure within sixty (60) Days after the date on which Resource Provider receives written notice from PREPA of such failure (other than disputed amounts, which the Parties shall resolve in accordance with Article 21 (*Dispute Resolution*));

d. a Resource Provider Default under Section 16.3 (*Certain Material Breaches*);

e. except as otherwise covered in paragraphs (b) or (c) of this Section 16.1, default in the observance or performance of any of the material terms, covenants, or conditions contained in this Agreement, which remains uncured for a period of one hundred twenty (120) Days after the date on which Resource Provider receives written notice from PREPA of such failure, or such longer period (not to exceed an additional cure period of one hundred fifty (150) Days if Resource Provider can cure such default and diligently pursues such cure);

f. an Insolvency Event with respect to Resource Provider, whether voluntary or involuntary, and, in case it is involuntary, such Insolvency Event shall continue undismissed for a period of sixty (60) or more Days or an order or decree approving or ordering any of the foregoing shall be entered;

g. a Construction Start Termination Event;

h. a COD Termination Event;

i. a Payment Guarantee Cross Default;

j. a termination of the Interconnection Agreement due to an uncured default (after the expiration of any applicable notice and/or cure periods) by Resource Provider thereunder;

k. a Development Abandonment;

l. the rolling average of Facility Availability falls below seventy percent (70%) in any three (3) consecutive Billing Periods, or such longer period of time not to exceed eighteen (18) months so long as Resource Provider continues to exercise its best efforts to restore full Facility Availability; or

m. the Actual Efficiency of the Facility falls below the Guaranteed Efficiency by ten percent (10%) or more for a period of six (6) consecutive months, or such longer period of time not to exceed six (6) months so long as Resource Provider continues to exercise its best efforts to restore full Facility Availability.

16.2 Events of Default by PREPA

The following events shall constitute a "**PREPA Default**" under this Agreement:

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a. a materially incorrect or misleading representation or warranty made by PREPA under this Agreement or any certification submitted by PREPA in connection with the execution, delivery of performance of this Agreement, which in either case remains uncured for a period of at least sixty (60) Days after receipt by PREPA of notice thereof from Resource Provider;

b. failure to remit in full any amount due and payable under this Agreement to Resource Provider, which PREPA fails to cure within sixty (60) Days after the date on which PREPA receives written notice from Resource Provider of such failure (other than disputed amounts, which the Parties shall resolve in accordance with Article 21 (*Dispute Resolution)*);

c. an Insolvency Event with respect to PREPA, whether voluntary or involuntary, and, in case it is involuntary, such Insolvency Event shall continue undismissed for a period of sixty (60) or more Days or an order or decree approving or ordering any of the foregoing shall be entered;

d. any condemnation or nationalization of the Facility;

e. except as otherwise covered in this Section 16.2, default in the observance or performance of any of the material terms, covenants, or conditions contained in this Agreement, which remains uncured for a period of one hundred twenty (120) Days after the date on which PREPA receives written notice from Resource Provider of such failure, or such longer period (not to exceed an additional cure period of one hundred fifty (150) Days if PREPA can cure such default and diligently pursues such cure); and

f. a termination of the Interconnection Agreement due to a default thereunder by PREPA.

16.3 Certain Material Breaches

a. Pursuant to FOMB's contract review policy (FOMB POLICY: REVIEW OF CONTRACTS, as modified on April 30, 2021), Resource Provider represents and warrants to PREPA on the Agreement Date (i) the due execution by Resource Provider and delivery to PREPA of a certification (the "**FOMB Certification**") in a form substantially similar to that set forth in Appendix R (*Form of FOMB Certification*), and (ii) the completeness, accuracy, and correctness of all information included in such FOMB Certification. Without limiting the foregoing in any way, Resource Provider acknowledges and agrees that PREPA, in consultation with the FOMB, shall have the right to declare this Agreement null and void in the event of any misrepresentation, inaccuracy, or falseness with respect to a material fact in the FOMB Certification shall render. In addition, PREPA, after disclosure to and consultation with the FOMB, may provide in its discretion an opportunity to Resource Provider to attempt to cure any such misrepresentation, or inaccuracy of falseness in the FOMB Certification and PREPA, after disclosure to and consultation with the FOMB, shall have the discretion to determine whether any such cure is acceptable. In the event that PREPA declares this Agreement null and void, and in the event of any misrepresentation, or inaccuracy of falseness with respect to a material fact in the FOMB Certification, Resource Provider shall reimburse PREPA or the Commonwealth, as applicable, immediately for any amounts, payments or benefits received from PREPA or the Commonwealth under this Agreement.

b. In accordance with Article 3.4 of Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico of the Commonwealth, as amended, Resource Provider acknowledges and agrees that its conviction or guilty plea for any of the crimes as enumerated in Article 3.4 of such Act, in addition to any other applicable liability, shall

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render this Agreement null and void, and Resource Provider shall reimburse PREPA immediately for any amounts, payments or benefits received from PREPA under this Agreement that directly resulted from the committed crime, but only to the extent required by Act 2-2018.

c. PREPA shall have the right to terminate this Agreement if Puerto Rico or United States Federal Court convicts Resource Provider under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, of any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves the misuse of public funds or property, including the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

d. Resource Provider acknowledges and agrees that the conditions outlined throughout this Section 16.3 constitute essential requirements of this Agreement.

16.4 Remedies & Disputes

Upon the occurrence of a Default, the non-defaulting Party shall have the right to invoke its remedies under this Agreement and/or under Applicable Law. Any Disputes in connection with the existence of a Default shall be resolved in the manner prescribed in Article 21 (*Dispute Resolution*).

17. CHANGE IN LAW & TAXES

17.1 Change in Law

a. Resource Provider shall bear all costs, including all Taxes and Environmental Costs, applicable to the construction and operation of the Facility, provided that, PREPA shall reimburse Resource Provider:

1. for a Change in Law with respect to Applicable Law of any jurisdiction of or within the United States other than the Commonwealth, fifty percent (50%) of the Post-Agreement Date Taxes and Post-Agreement Date Environmental Costs, subject to Section 17.2 (*Tracking Account*); and

2. for a Change in Law with respect to Applicable Law of the Commonwealth or any jurisdiction within the Commonwealth, one hundred percent (100%) of Resource Provider's additional costs resulting from measures required to comply with such Change in Law,

in each case, arising from such Change in Law net of any cost reductions (collectively, the "**Additional Costs**"); and

b. PREPA shall reimburse the Additional Costs by way of an equitable adjustment to the Capability Payment Price. The Parties agree that PREPA shall have the right to (i) an annual audit of the payment or credit adjustments made in accordance with this paragraph, and (ii) adjust the Capability Payment Price if necessary, as a result of the findings of such audit. Both Parties shall have the right to participate in such audit.

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17.2 Tracking Account

a. The Parties shall record all Additional Costs referred to in item (1), paragraph (a) of Section 17.1 (*Change in Law*) that are paid by PREPA according to Section 17.1 (*Change in Law*) in an unfunded tracking account maintained by PREPA (the "**Tracking Account**"). Resource Provider shall have the right, 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 cannot agree on an adjustment to the balance in the Tracking Account within thirty (30) Days of PREPA's receipt of Resource Provider's objection, then a Party may refer such matter to dispute resolution by either Party pursuant to Article 21 (*Dispute Resolution*).

b. If the Tracking Account has a balance at the end of the twenty-second (22nd) Agreement Year ("**Balance**"), then PREPA shall have the right to withhold and retain up to fifty percent (50%) of the amounts due in each Billing Period of the remaining Term. The Parties shall subtract the retained amount from the Balance until the Balance equals zero (0). If any portion of the Balance remains outstanding at the expiration of the Term under Section 2.2 (*Initial Term*), then PREPA shall have the option to extend the Term up to an additional two (2) Agreement Years as necessary to repay the Balance by applying such monthly retention as set forth above. If, at the expiration of the initial Term under Section 2.2 (*Initial Term*), an undisputed deficit exists in the Tracking Account, then PREPA shall pay Resource Provider an amount sufficient to compensate Resource Provider for such deficit within thirty (30) Days after the expiration of the Term. If a Party terminates this Agreement early pursuant to Article 15 (*Termination*) for any reason other than PREPA's Default, and an undisputed balance remains in the Tracking Account (the "**Termination Balance**"), Resource Provider shall repay such Termination Balance plus Interest to PREPA within thirty (30) Days of the Termination Date. Notwithstanding the foregoing, Resource Provider 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 PREPA shall have the right to an annual audit of payments or credits for changes as a result of a Post-Agreement Date Tax or a Post-Agreement Date Environmental Cost and to adjust such payments if necessary, as a result of the findings of such audit. Both Parties shall have the right to participate in such audit.

17.3 Taxes

a. Resource Provider will promptly pay and discharge all 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 that Resource Provider shall not be required to pay any such Taxes, assessment, charge, levy, account payable or Claim if: (i) the validity, applicability or amount thereof remains contested in good faith by appropriate actions or proceedings which will prevent the forfeiture or sale of any property of Resource Provider or any material interference with the use thereof by Resource Provider, and (ii) Resource Provider shall set aside on its books reserves deemed by it to be adequate with respect thereto.

b. PREPA shall pay or cause to be paid all Taxes on or with respect to (i) the purchase of Energy Storage Services and the sale of Discharge Energy at the Interconnection Point

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(including sales tax, excise tax, municipal license tax, and value-added tax), and (ii) the purchase, use and disposition of the Ancillary Services and the Green Credits.

18. INSURANCE

18.1 Resource Provider Requirements

Resource Provider shall obtain and maintain in full force and effect from the Construction Start 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. *Worker's Compensation Insurance*: If at any time Resource Provider has employees, Resource Provider shall procure and maintain Worker's Compensation Insurance as required by the Worker's Compensation Act of the Commonwealth. Resource Provider shall also have responsibility for compliance with said Worker's Compensation Act by all its subcontractors, agents, and invitees. Resource Provider shall furnish PREPA a certificate from the State Insurance Fund, in a form reasonably acceptable to PREPA, showing that all personnel employed in the work are covered by the Worker's Compensation Insurance, in accordance with this Agreement. If imported technical personnel are exempted, as per Act of May 16, 1958 No 16, Resource Provider shall furnish evidence of such exemption and certificate from the insurance carrier covering said personnel.

b. *Commercial General Liability Insurance*: Resource Provider shall procure and maintain Commercial General Liability Insurance with limits of $1,000,000 per occurrence and $2,000,000 aggregate. Such insurance shall include specific coverage for contractual liability, "XCU" explosion, collapse and underground damages coverage, sudden and accidental pollution, products, and completed operations liability.

c. *Automobile Liability Insurance*: Resource Provider shall procure and maintain Automobile Liability Insurance with limits of $1,000,000 combined single limit covering all owned, if any, non-owned, and hired automobiles located in the Commonwealth.

d. *Excess Umbrella Liability Insurance*: Resource Provider shall procure and maintain Excess Umbrella Liability Insurance with limits of $4,000,000 per occurrence and in the aggregate in excess of the limits of insurance provided in paragraphs (b), (c) and (g) of this Section 18.1.

e. *All Risk Physical Damage Property Insurance*: Resource Provider shall procure and maintain All Risk Physical Damage Property Insurance, including machinery coverage to cover all real and personal property of Resource Provider to one hundred percent (100%) of replacement cost; however, Insurance shall be subject to usual and customary market exclusions and sublimits including, but not limited to, natural catastrophe aggregate sublimits. Resource Provider shall place this insurance policy in effect at the later of the Commercial Operation Date and the termination of the builder's risk insurance policy. The insurance, as required in this paragraph (e) of this Section 18.1, shall, when applicable, 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.

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f. *Equipment Breakdown Policy*: Unless included in the All Risk Physical Damage Insurance required in paragraph (e) of this Section 18.1, Resource Provider shall procure and maintain an Equipment Breakdown Policy to cover all equipment and machinery of Resource Provider

g. *Employer's Liability Insurance*: To the extent that Resource Provider employs employees, Resource Provider shall procure and maintain 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 Resource Provider 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 Worker's Compensation Act of the Commonwealth.

h. *Business Interruption Insurance*: Resource Provider shall procure and maintain Business Interruption Insurance, subject to a maximum of ninety (90) day waiting period, as it might be reasonable and economically achievable, including a reasonable deductible (which the Parties shall construe as insurance proceeds actually received by Resource Provider for purposes of this Agreement) with respect to the Facility to include business interruption/loss of income for at least a six (6) Month period of indemnity based on actual loss sustained and contingent business interruption/loss of income subject to a $10,000,000 sub-limit. Resource Provider shall place this policy into effect on the Commercial Operation Date.

18.2 Requirements for Resource Provider Policies

Resource Provider shall ensure that the provider of the Commercial General Liability Insurance and Automobile Liability Insurance, as required under Section 18.1 (*Resource Provider Requirements*), endorses, or provides that, such insurance to include:

a. as Additional Insured:

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 (ten (10) Days for non-payment of premium) to be sent by certified mail or email to Resource Provider (with a copy to PREPA) or their broker;

c. an endorsement including this Agreement under contractual liability coverage and identifying it by number, date and the Parties, or confirming that the Commercial General Liability form includes contractual coverage for this Agreement;

d. a waiver of Subrogation in favor of PREPA; and

e. the breach of any of the warranties or conditions in these policies by Resource Provider shall not prejudice PREPA's rights under this policy, which may be provided by a standard severability of interests/separation of insured's clause.

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18.3 Contractor Requirements

The main contractors and designers retained by Resource Provider to construct the Facility shall obtain and maintain in full force and effect by the Construction Start Date, policies of insurance covering all constructions engaged in by this Agreement, which shall be formally agreed with insurance companies authorized to do business in Puerto Rico, and to that effect Resource Provider shall provide in the original certificate of insurance and endorsements, as follows:

a. *Worker's Compensation Insurance*: Resource Provider shall cause its contractors to procure and maintain Worker's Compensation Insurance as required by the Worker's Compensation Act of the Commonwealth. Resource Provider shall also have responsibility for compliance with said Worker's Compensation Act by all its subcontractors, agents, and invitees. Resource Provider shall furnish PREPA a certificate regarding its contractors from the State Insurance Fund, in a form reasonably acceptable to PREPA, showing that all personnel employed in the work are covered by the Worker's Compensation Insurance, in accordance with this Agreement. If imported technical personnel are exempted, as per Act of May 16, 1958, No. 16, Resource Provider shall furnish evidence of such exemption and certificate from the insurance carrier covering said personnel.

b. *Employer's Liability Insurance*: Resource Provider shall cause its contractors to procure and maintain 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 its contractors as a result of bodily injury, by accident or disease, including death arising out of and in the course of employment and outside of and distinct from any claim under the Worker's Compensation Act of the Commonwealth.

c. *Commercial General Liability Insurance*: Resource Provider shall cause its contractors to procure and maintain Commercial General Liability Insurance ("**CGL**") with limits of $1,000,000 per occurrence and $2,000,000 aggregate. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground property damage. Continuing CGL insurance shall cover liability arising from products completed operations and liability assumed under an insured contract for at least two (2) Years following substantial completion of the work.

d. *Automobile Liability Insurance*: Resource Provider shall cause its contractors to procure and maintain Automobile Liability Insurance with limits of $1,000,000 combined single limit covering all owned, non-owned, and hired automobiles located in the Commonwealth.

e. *Excess Umbrella Liability Insurance*: Resource Provider shall cause its contractors to procure and maintain Excess Umbrella Liability Insurance with limits of $4,000,000 per occurrence and in the aggregate in excess of the limits of insurance provided in paragraphs (c) and (d) of this Section 18.3.

f. *Builder's Risk Insurance*: Resource Provider shall procure or cause its prime contractors for the Facility to procure and maintain in force Builder's Risk Insurance for the entire work. Such insurance shall be 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:

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1. The insurance as required above shall be written to cover all risks of physical loss except those specifically excluded in the policy, including industry standard sub-limits and aggregate limits.

2. Resource Provider shall pay any deductible applicable to the insurance purchased in compliance with this requirement.

3. Waiver of Subrogation. Resource Provider shall cause the builder's risk insurers to waive all rights of subrogation 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.

18.4 Requirements for the Contractor Policies

Resource Provider shall cause its contractors to ensure that the provider of the Commercial General Liability Insurance and Automobile Liability Insurance, as required under Section 18.3 (*Contractor Requirements*), endorses, or provides that, such insurance to include:

a. as Additional Insured:

Puerto Rico Electric Power Authority
Risk Management Office
PO Box 364267
San Juan, PR 00926-4267;

b. a thirty (30) Days' cancellation or nonrenewable notice to be sent by certified mail or email;

c. an endorsement including this Agreement under contractual liability coverage and identifying it by number, date and the Parties, or confirming that the Commercial General Liability form includes contractual coverage for this Agreement;

d. a waiver of Subrogation in favor of PREPA; and

e. the breach of any of the warranties or conditions in these policies by the relevant contractor or designer shall not prejudice PREPA's rights under this policy, which may be provided by a standard severability of interests/separation of insureds clause.

18.5 Application of Proceeds

Subject to the terms and conditions of any direct agreement or other similar agreement executed by PREPA, Resource Provider and/or a Project Lender, Resource Provider shall apply any and all insurance proceeds received in connection with the damage or loss of the Facility toward the repair, reconstruction, or replacement of the Facility, as permitted by Project Lenders.

18.6 General Provision

a. Subject to paragraph (b) below, PREPA shall review the requirements of this Article 18 prior to the Construction Start Date to confirm that an insurance company meeting the requirements of this Article 18 continues to make available policies satisfying the

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foregoing requirements. Each of Resource Provider, its contractors and subcontractors shall cause its insurers or agents to provide, not later than ten (10) Business Days prior to the Construction Start Date, with correct copies of insurance certificates for such policies (which have entered into full force and effect), in a form of certificate approved by PREPA, which approval PREPA shall not unreasonably withhold or delay. Any deductible applicable on required insurance policies under this Article 18 shall be paid by Resource Provider, its contractors, or subcontractors. Failure of a party to obtain certificates of insurance does not relieve Resource Provider, contractor or subcontractor of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Article 18 shall in no way relieve or limit the obligations or liabilities of Resource Provider, contractor or subcontractor under this Agreement.

b. Notwithstanding the foregoing, in the event any insurance (including the limits or deductibles thereof) required to be maintained by this Article 18, other than insurance required to be maintained by Law, is not available on commercially reasonable terms in the commercial insurance market, PREPA (acting upon consultation with an independent insurance consultant), shall not unreasonably withhold or delay its agreement to waive (or modify) such requirement to the extent the required insurance is not so available and/or, to the extent feasible, may allow Resource Provider (or the Facility, as applicable) to obtain the best available insurance comparable to insurance meeting the requirements of this Article 18 on commercially reasonable terms then available in the commercial insurance market (as determined by an independent insurance consultant); provided that (i) Resource Provider shall first request any such waiver (or modification) in writing, which request shall be accompanied by written reports prepared by Resource Provider and an independent insurance consultant, reasonably satisfactory to PREPA, confirming that such insurance is not available on commercially reasonable terms in the commercial insurance market for battery storage system projects of similar type and capacity (and, in any case where the required amount is not so available, confirming as to the maximum amount which is so available) and explaining in detail the basis for such conclusions, with the form and substance of such reports to be reasonably satisfactory to PREPA; (ii) at any time after the granting of any such waiver (or modification), but not more often than once annually, PREPA may request, and Resource Provider shall furnish to PREPA within sixty (60) days after such request, supplemental reports satisfactory to PREPA updating the prior reports and reaffirming such conclusion; and (iii) any such waiver (or modification) shall be effective only for so long as such insurance shall not be available on commercially reasonable terms in the commercial insurance market (as determined by an independent insurance consultant), it being understood that the failure of Resource Provider to timely furnish any such supplemental report shall be conclusive evidence that such waiver (or modification) is no longer required because such condition no longer exists.

19. ASSIGNMENT & TRANSFER

19.1 Restriction on Assignment

Except as otherwise provided in this Article 19, neither Party shall assign or transfer this Agreement without the prior written consent of the other Party, which consent such Party shall not unreasonably withhold or delay. Any attempt to assign this Agreement without the prior written consent of the corresponding Party shall be void. Any failure of a Party to respond to any request by the other Party for consent to assignment pursuant to this Section 19.1 shall not be deemed or construed as an acceptance or consent to such proposed assignment.

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19.2 PREPA's Right to Assign

Notwithstanding the provisions of Section 19.1 (*Restriction on Assignment*), 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 of (each, a "**Transfer**") any of its rights, title, or interest in this Agreement as permitted by Applicable Law and at any time, without Resource Provider's consent, and without cost, expense, or incremental liability to PREPA, to an Affiliate of PREPA or any Governmental Authority of Puerto Rico financially, legally and operationally capable of performing all of PREPA's payment and performance obligations under this Agreement; provided that PREPA shall notify Resource Provider no later than thirty (30) Days before the effective date of any such Transfer. Unless otherwise agreed by PREPA, following a Transfer to one of the entities described in the previous sentence, PREPA shall be released from all obligations under this Agreement to the extent such transferee assumes such obligations in writing, provided that, for any Transfer to an Affiliate of PREPA, PREPA shall guarantee the payment obligations of such Affiliate arising out of this Agreement following such assignment.

19.3 Resource Provider's Right to Assign

Notwithstanding the provisions of Section 19.1 (*Restriction on Assignment*), Resource Provider shall have the right to assign, pledge or encumber this Agreement in its entirety or in part 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 estoppel certificates and direct agreement or consent to an assignment in accordance with this Section 19.3 and substantially in the form of Appendix W (*Form of Direct Agreement*) 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, and enforceability thereof, in each case as reasonably acceptable to PREPA, provided that Resource Provider shall reimburse PREPA for its documented out-of-pocket costs of negotiating and providing such documents, acknowledgments, opinions, certificates, consents, and agreements. In addition, Resource Provider shall have the right to assign this Agreement as collateral security to any agent, trustee, or other Person (including any corporation or partnership) representing the Project Lenders under the Financing Documents. If Resource Provider shall assign this Agreement as collateral security pursuant to this Section 19.3, 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. The making of an assignment pursuant to the preceding provisions of this Section 19.3 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 Resource Provider to be performed hereunder; provided 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

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deemed to be an assignee or transferee within the meaning of this paragraph (a) of this Section 19.3 and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Resource Provider to be performed hereunder from and after the date of such purchase and assignment.

b. Notwithstanding any other provision of this Agreement, any sale of Resource Provider'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.

c. If PREPA terminates this Agreement prior to the expiration of the Term due to a Resource Provider Default or rejects or disaffirms this Agreement 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 Resource Provider or otherwise, PREPA agrees, if outstanding obligations to a Project Lender exist, and subject to the receipt of all necessary approvals, to enter into a new energy storage services agreement with the Project Lender (or its designee or nominee) on substantially similar terms to this Agreement; provided that such designee or nominee (i) qualifies as a Substitute Provider (as defined in the form of direct agreement included at Appendix W (*Form of Direct Agreement*)), (ii) has provided to PREPA (x) its audited financial statements prepared in accordance with GAAP, demonstrating that such new designee or nominee has a Tangible Net Worth of at least twenty-five million dollars ($25,000,000) (or that its direct or indirect parent has a Tangible Net Worth of at least seventy-five million dollars ($75,000,000)), and (y) the certifications and documentation required by Appendix B (*PREPA Signing Conditions*), but construing references to Resource Provider therein as references to such new designee or nominee, and (iii) has accepted all terms, provisions and limitations of this Agreement, effective as of the date of such termination.

Resource Provider shall not have the right to assign its rights, title, or interest under this Agreement to any Affiliate of Resource Provider 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 Resource Provider hereunder (including Appendix B (*PREPA Signing Conditions*)), (ii) each Sponsor maintains at least the same percentage of the total equity ownership interest in such Affiliate, whether directly or indirectly, as Equity it owns, directly or indirectly, in Resource Provider at the time of such assignment, and (iii) Resource Provider or a Sponsor owns, directly or indirectly, no less than fifty-one percent (51%) of the total equity in such Affiliate. Resource Provider shall notify PREPA of Resource Provider's intention to assign this Agreement at least thirty (30) Days in advance of any such assignment.

19.4 Restrictions on Equity Transfers

a. Resource Provider shall ensure that each Sponsor does not assign, sell or transfer (whether directly or indirectly) to any other Person any part of its ownership interests in Resource Provider or renounce any preferential subscription rights for ownership interests in connection with a capital increase (each, a "**Equity Transfer**") at any time prior to the Commercial Operation Date. On or after the Commercial Operation Date, Resource Provider shall ensure that each Sponsor does not effect an Equity Transfer at any time without the prior express written consent of PREPA, which shall not be unreasonably withheld, conditioned or delayed. In the event that Resource Provider solicits PREPA's

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consent to effect an Equity Transfer that would result in a direct or indirect transfer of more than forty-nine percent (49%) of the issued and outstanding shares and voting rights in Resource Provider to any Person other than a Sponsor or a Wholly-Owned Affiliate of a Sponsor at least six (6) months or more following the occurrence of the Commercial Operation Date, PREPA acknowledges and agrees that it would view such consent solicitation as reasonable to the extent that (A) the proposed transferee: (i) satisfies the requirements of a Qualified Sponsor and Qualified Transferee, and (ii) has arranged for a Qualified Operator to operate, maintain and repair the Facility for the remainder of the Supply Period, and (B) no Default by Resource Provider exists at the time of such solicitation.

b. Notwithstanding the foregoing, a Sponsor may, without PREPA's consent:

1. create a security interest in its direct or indirect ownership interest in Resource Provider in favor of the Project Lenders, and PREPA hereby approves any Equity Transfer thereof resulting from the enforcement of such security interests in accordance with the Financing Documents;

2. (i) prior to the Commercial Operation Date, effect an Equity Transfer solely in connection with a financing transaction involving Tax Credits under Section 48 of the U.S. Internal Revenue Code, provided that such transfer does not result in the Control of Resource Provider or the Facility being transferred to a third party other than the Sponsor (directly or indirectly) or Resource Provider, as applicable; and (ii) at any time after the Commercial Operation Date, effect an Equity Transfer back to Resource Provider or Sponsor (directly or indirectly), as applicable, pursuant to the terms of such financing transaction entered into prior to the Commercial Operation Date involving Tax Credits under Section 48 of the U.S. Internal Revenue Code;

3. effect an Equity Transfer to: (x) for Equity Transfers prior to the Construction Start Date, a Person that (i) has provided to PREPA (A) its audited financial statements prepared in accordance with GAAP, demonstrating that such Person has a Tangible Net Worth of at least twenty-five million dollars ($25,000,000) (or that its direct or indirect parent has a Tangible Net Worth of at least seventy-five million dollars ($75,000,000) (a "**Qualified Sponsor**")), and (B) the certifications and documentation required by Appendix B (*PREPA Signing Conditions*), but construing references to Resource Provider therein instead as a reference to such Person, and (ii) does not qualify as a Restricted Person; and (y) for Equity Transfers at any time after the sixth (6^{th}) Month following the Commercial Operation Date, a Person that (1) has provided to PREPA the certifications and documentation required by Appendix B (*PREPA Signing Conditions*), but construing references to Resource Provider therein instead as a reference to such Person, and (2) does not qualify as a Restricted Person (such Person under clauses (x) or (y), a "**Qualified Transferee**"); provided that, in the case of clauses (x) and (y) such Equity Transfer does not result in a transfer of more than forty-nine percent (49%) of the issued and outstanding shares and voting rights in Resource Provider to any Person other than a Sponsor or a Wholly-Owned Affiliate of a Sponsor; or

4. effect an Equity Transfer to a Wholly-Owned Affiliate of a Sponsor,

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provided that, that, in the case of items (3) and (4), paragraph (b) of this Section 19.4, if such Person does not have a Tangible Net Worth of at least twenty-five million dollars ($25,000,000), and the Equity Transfer would otherwise result (upon expiration of the applicable cure period) in a Payment Guarantee Cross-Default for Resource Provider's failure to provide and maintain a Payment Guarantee from a Permitted Guarantor, a Permitted Guarantor shall have agreed to guarantee the payment obligations of Resource Provider pursuant to a replacement Payment Guarantee executed and delivered to PREPA concurrently with such Equity Transfer.

c. If Resource Provider intends to effect an Equity Transfer, then it shall notify PREPA of such intention at least thirty (30) Days in advance of the intended date of such transfer. The failure of PREPA to respond to any request by Resource Provider for consent to transfer pursuant to this Section 19.4, for which PREPA's consent is required, shall not be deemed or construed as an acceptance or consent to such proposed transfer. PREPA acknowledges and agrees that the identity and existence of such third party, and the potential transfer, shall be kept confidential in accordance with Section 12.9 (*Confidentiality*); and if requested by Resource Provider, PREPA shall enter into a confidentiality agreement with respect to the same, in a form reasonably acceptable to PREPA, provided that Resource Provider shall reimburse PREPA for its documented out-of-pocket costs of negotiating and executing such agreement. In each case, Resource Provider shall obtain any regulatory approvals required in respect of such transfer and ensure such transfer otherwise complies with Applicable Law.

19.5 Restrictions on Asset Transfers

a. Resource Provider shall not sell or transfer, directly or indirectly, the Facility, any material portion of the Facility or substantially all of its assets either (i) at any time prior to the Commercial Operation Date, or (ii) for any such sale or transfer occurring on or after the Commercial Operation Date, without PREPA's prior express written consent, which consent PREPA shall not unreasonably withhold, condition or delay. The foregoing prohibition shall not apply to any such transfer that (1) forms part of a foreclosure on any mortgage, lien, pledge, charge or other encumbrance granted to the Project Lenders under any non-recourse project financing related exclusively to such assets and such lenders or their agent have entered into a direct agreement with PREPA in respect of the collateral assignment of this Agreement and the Interconnection Agreement, or (2) constitutes a permitted assignment under Section 19.3 (*Resource Provider's Right to Assign*).

b. If Resource Provider intends to sell the Facility, any material portion of the Facility, or substantially all of its assets pursuant to PREPA's consent under clause (ii) of paragraph (a) of this Section 19.5, then it shall notify PREPA of its intention to sell at least sixty (60) Days in advance of the intended date of such sale. PREPA shall not unreasonably withhold, condition or delay its consent to any such sale or transfer, provided that the failure of PREPA to respond to any request by Resource Provider 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. In the event that Resource Provider solicits PREPA's consent to effect an asset transfer that would result in a direct or indirect transfer of the Facility, any material portion of the Facility, or substantially all of Resource Provider's assets to any Person after the Commercial Operation Date, PREPA acknowledges and agrees that it would view such consent solicitation as reasonable to the extent that (A) the proposed transferee: (i) satisfies the requirements of a Qualified Sponsor and Qualified Transferee, and (ii) has arranged for a Qualified Operator to operate, maintain and repair the Facility for the remainder of the

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Supply Period, and (B) no Default by Resource Provider exists at the time of such solicitation.

c. Prior to PREPA's consent to any such asset transfer, Resource Provider shall cause the proposed new owner to provide PREPA with (i) its audited financial statements as prepared in accordance with GAAP, demonstrating that such new owner has a Tangible Net Worth of at least twenty-five million dollars ($25,000,000) (or that its direct or indirect parent is a Qualified Sponsor), and (ii) reasonable evidence that such new owner is a Qualified Transferee and is or has engaged a Qualified Operator. In each case, (1) Resource Provider shall obtain any regulatory approvals required in respect of such transfer and ensure 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) Resource Provider 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 Resource Provider arising under this Agreement prior to the date of such assignment.

20. NOTICES

20.1 General.

All notices and other communications hereunder shall be in writing, other than a Dispatch Notice, Charge Notice or a curtailment or disconnect order, 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 RESOURCE PROVIDER:

Pattern Energy Santa Isabel Storage LLC
1088 Sansome St.
San Francisco, CA 94111
Attention: General Counsel
E-mail: generalcounsel@patternenergy.com

IF TO PREPA:

Puerto Rico Electric Power Authority
1110 Ponce de León Avenue,
Office #808
San Juan, Puerto Rico
Attention: Director of Operations Office
E-mail: jorge.cotto@prepa.pr.gov

with a copy to, for so long as LUMA Energy LLC and LUMA Energy ServCo LLC collectively serve as the "Operator" under the OMA:

LUMA Energy, LLC
Juan Ruiz Velez Building, Office 04-015
1110 Ponce de León Avenue
San Juan, Puerto Rico
Attention: Brian Walshe

E-mail: brian.walshe@lumapr.com

20.2 Change of Address or Persons.

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

21. DISPUTE RESOLUTION

21.1 Scope of the Dispute Resolution Provisions

Except as otherwise expressly provided in this Agreement, the Parties shall resolve any dispute arising out of, relating to or in connection with this Agreement, including the existence, interpretation, breach, termination or validity of this Agreement (a "**Dispute**") in accordance with the procedures set forth in this Article 21, which shall constitute the sole and exclusive procedures for the resolution of each such Dispute (the "**Dispute Resolution Procedure**").

21.2 Commencement of the Dispute Resolution Procedure

a. If a Dispute arises, then either Party may initiate the Dispute Resolution Procedure by giving a written notice of the Dispute to the other Party (each, a "**Dispute Notice**").

b. The delivery of a Dispute Notice pursuant to this Section 21.2 shall toll any limitation period imposed by either this Agreement or Applicable Law in respect of a Dispute.

21.3 Negotiation

a. Upon receipt of a Dispute Notice from a Party, each Party shall nominate a member of its respective senior management, who shall have decision-making authority on behalf of such Party (each, a "**Designated Person**"), and shall cause its Designated Person to promptly meet and negotiate in good faith with the other Designated Person and attempt to resolve the Dispute within thirty (30) days after the date of the delivery of the Dispute Notice, or such longer period as the Designated Persons may otherwise agree (the "**Negotiation Period**").

b. If the Dispute remains unresolved at the end of the Negotiation Period, then (i) if the Parties agree, the Parties may refer the Dispute for technical review in proceedings before an Independent Expert in accordance with Section 21.4 (*Technical Recommendation*) such Dispute (a "**Technical Dispute**") or (ii) either Party may refer the Dispute to arbitration pursuant to Section 21.5 (*Arbitration*).

21.4 Technical Recommendation

a. If the Parties agree that a Dispute qualifies as a Technical Dispute, then the Parties shall refer such Dispute to the Independent Expert for a recommended resolution (a "**Technical Recommendation**") by providing to the Independent Expert a written notice, specifying the matter for determination. The Parties shall conduct hearings before the Independent Expert in San Juan, Puerto Rico, unless otherwise agreed in writing by the Parties. Within thirty (30) Days of the engagement of the Independent Expert for a Technical Dispute (or such longer period of time as the Parties may mutually agree in writing), the Parties shall require that the Independent Expert conduct a hearing; provided that the Parties may agree

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in writing to waive the hearing and have the Independent Expert issue the Technical Recommendation on the basis of written submissions alone. The Parties shall require that the Independent Expert 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 will share equally in paying the costs of the Independent Expert.

b. The Parties may resolve the Technical Dispute based on the Technical Recommendation or any mutually agreed modification thereof. If the Parties cannot resolve the Technical Dispute following the issuance of the Technical Recommendation, then either Party may submit the matter for final determination by arbitration in accordance with Section 21.5 (*Arbitration*).

21.5 Arbitration

a. Either Party may initiate mandatory binding arbitration by providing written notice of a demand thereof administered in accordance with the Rules of Arbitration of the International Chamber of Commerce then in effect (the "**Arbitration Rules**"), before a panel of three (3) neutral, independent and impartial arbitrators (each, an "**Arbitrator**" and collectively, the "**Tribunal**"). The claimant Party shall nominate one (1) arbitrator in its request for arbitration, and the respondent Party shall nominate one (1) arbitrator in its answer to such request for arbitration. The two (2) arbitrators nominated by the claimant and respondent Parties shall jointly nominate a third arbitrator, who shall act as chairperson of the Tribunal. If either Party fails to nominate an arbitrator within thirty (30) days of the date on which they are required to do so under the Arbitration Rules, or if the two (2) arbitrators nominated by the Parties are unable to jointly nominate the third arbitrator within thirty (30) days following the later of their two (2) appointments, then the International Court of Arbitration of the International Chamber of Commerce shall appoint such arbitrator in accordance with the Arbitration Rules.

b. Notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, the seat of the arbitration will be in New York, New York. Hearings may be held in a location other than the seat of arbitration subject to written agreement of the Parties.

c. The arbitration shall be conducted in the English language and all submissions shall be made in the English language or with an English translation; provided that witnesses may provide testimony in a language other than English if a simultaneous English translation is provided.

d. PREPA may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (i) the arbitration agreement governing the other arbitration permits consolidation, (ii) the arbitrations to be consolidated substantially involve common questions of law or fact, and (iii) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s). PREPA may also include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

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e. Subject to Article 11 (*Liability*), the Tribunal will have the authority to grant any form of equitable or legal relief a Party might recover in a court action. Each of the Parties (the "**First Party**") acknowledge and agree that (i) the other Party would suffer irreparable damage in the event that the First Party fails to perform certain provisions of this Agreement in accordance with the terms of the Agreement, (ii) monetary damages will not provide a sufficient remedy for any breach of these provisions of this Agreement by the first Party, and (iii) the other Party shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief as a remedy for a breach of this Agreement by the First Party.

f. Either Party may enter judgment on the award in any court having jurisdiction.

g. The Tribunal shall have discretion to allocate any portion of the costs of the arbitration (other than each Party's individual attorneys' fees and costs related to the Party's participation in the arbitration, which fees and costs will be borne by such Party), including the fees of the Tribunal and any expert witnesses, against the Party that the Tribunal determines did not prevail. Until the Tribunal renders such award, however, the Parties will share equally in paying the costs of the arbitration. Notwithstanding the foregoing, any costs incurred by a Party in seeking judicial enforcement of any written decision of the Tribunal shall be chargeable to, and borne exclusively by, the Party against whom such court order is successfully obtained.

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h. At the conclusion of the arbitration hearing, the Tribunal shall prepare in writing and provide to each Party a decision setting forth factual findings, legal analysis, and the reasons on which the Tribunal's decision is based.

22. MISCELLANEOUS PROVISIONS

22.1 Waiver & Amendment

This Agreement, including the appendices hereto, may be amended or waived only by written agreement between the Parties. A waiver of any Default shall extend only to the particular Default waived and shall not limit or otherwise affect any rights that either Party may have with respect to any other or future Default. The Parties acknowledge and agree that any amendments to the economic or technical terms of this Agreement, or the scope of the Facility, require PREB approval.

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 agreed in writing between the Parties.

22.3 No Third-Party Beneficiaries

The Parties intend this Agreement solely for the benefit of themselves 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.

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22.4 Resource Provider Certification Requirement

The Parties acknowledge that Resource Provider 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 Resource Provider's Executive Director (or another official with an equivalent position or authority to issue such certifications). The Parties have attached a signed copy of the "Contractor Certification Requirement" as Appendix R (*Form of FOMB Certification*) to this Agreement.

22.5 No Sharing of Benefit

No officer, employee, or agent of Resource Provider 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 or policy of PREPA.

22.6 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.

22.7 Successors

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

22.8 Complete Agreement & Conflicts

The Parties intend this Agreement as the final expression of their agreement and also as a complete and exclusive statement of the terms of their agreement with respect to the subject matter hereof that supersedes all prior written and oral understandings between the Parties with respect thereto. In the event of any conflict between this Agreement and the Interconnection Agreement, Section 30.2 of the Interconnection Agreement shall govern.

22.9 Severability

If any provision hereof shall be held invalid, illegal, or unenforceable by the holding of an arbitral authority convened pursuant to Article 21 (*Dispute Resolution*), such holding shall not invalidate or render unenforceable any other provision hereof.

22.10 Anticorruption & Antibribery

Resource Provider certifies as of the Agreement 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.

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22.11 No Economic Interest

Resource Provider represents, warrants, and certifies as of the Agreement Date, to its actual knowledge, that no public employee has any personal or economic interest in this Agreement.

22.12 Code of Ethics

Resource Provider 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.

22.13 Independent Contractor

Resource Provider shall be considered as an independent contractor, for all material purposes under this Agreement, and all Persons engaged or contracted by Resource Provider 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.

22.14 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.

22.15 Governing Law

This Agreement shall be governed by, construed, and enforced in accordance with the Laws of the Commonwealth 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 21 (*Dispute Resolution*).

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

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

PUERTO RICO ELECTRIC POWER AUTHORITY

Mary C. Zapata Acosta

Executive Director

Tax ID Number: 660-43-3747

PATTERN SANTA ISABEL STORAGE LLC

DocuSigned by:

00212837E5444A3...

Amy Smolen

Vice President

Tax ID Number: 873-24-6260

Email: amy.smolen@patternenergy.com

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APPENDIX A

HOLIDAYS

PREPA recognizes the following holidays and observes all holidays that fall on a Sunday on the following Business Day:

DAY	CELEBRATION
January 1	New Year's Day
January 6	Three Kings Day/Epiphany
3rd Monday in January	Martin Luther King Day
3rd 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
2nd Sunday in May	Mothers' Day
Last Monday in May	Memorial Day
3rd Sunday in June	Fathers' Day
June 19	Juneteenth National Independence Day
July 4	Independence Day
July 25	Puerto Rico Constitution Day
1st Monday in September	Labor Day
2nd Monday in October	Columbus Day
November 19	Discovery of Puerto Rico
November 11	Veterans Day
4th Thursday in November	Thanksgiving Day
December 24	Christmas Eve
December 25	Christmas Day

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APPENDIX B

PREPA SIGNING CONDITIONS

1. Together with the signing of this Agreement, Resource Provider provided:

   a. an original certificate of tax status and compliance from the Commonwealth for the five (5) previous years, confirming that it does not owe Taxes to the Commonwealth or is paying such Taxes by an installment plan in full compliance with its terms;

   b. an income tax return filing certificate issued by the Treasury Department of Puerto Rico, Area of Internal Revenues assuring that Resource Provider has filed its Income Tax Return for the last five (5) years (obtained by using the Request for Copy and/or Certification of Income Tax Returns Form issued by the Treasury Department of Puerto Rico);

   c. a certificate of debt issued by the Treasury Department of Puerto Rico, Area of Internal Revenues;

   d. a certificate issued by the Municipal Revenues Collection Center assuring that Resource Provider does not owe any Taxes to such governmental agency;

   e. a certificate issued by the Department of Labor and Human Resources of Puerto Rico, evidencing that Resource Provider 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;

   f. a certificate issued by the Child Support Administration (ASUME) evidencing that Resource Provider has complied with the retention, if applicable, that an employer must do;

   g. a sworn and notarized statement, as of the Agreement Date, evidencing compliance with Article 3.3 Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico of the Commonwealth, as amended, in a form substantially similar to that set forth in Appendix Q (*Form of Sworn Statement*);

   h. a certification, as of the Agreement Date, that, to its actual knowledge, no public employee has any personal or economic interest in this Agreement, under Section 22.11 (*No Economic Interest*);

   i. a certification, as of the Agreement 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 Section 22.10 (*Anticorruption & Antibribery*);

   j. if any of the previously required certifications show a debt, and Resource Provider has requested a review or adjustment of this debt, a certification that Resource Provider has made such request at the Agreement Date; and if PREPA denies the requested review or adjustment and such determination is final, proof of payment of this debt to PREPA or

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confirmation that Resource Provider accepts that PREPA shall offset the owed amount from the corresponding payments;

k. evidence of Resource Provider's ability to provide Equity at least equal to the sum of (i) thirty percent (30%) of the forecasted costs to develop the Facility and (ii) the PREPA Interconnection and System Upgrade Costs by the forecasted date on which Resource Provider will first draw down on funds for such development under the Financing Documents with the Project Lenders;

l. documents evidencing Resource Provider's ownership and/or control of the Site for the purposes of implementing the Project;

m. the certification set forth in Appendix R (*Form of FOMB Certification*);

n. a certificate, signed by a duly-authorized representative of Resource Provider, in the form set forth in Appendix Z (*Form of Warranty Compliance Certificate*);

o. a legal opinion prepared by Resource Provider's external counsel, confirming the warranty made by Resource Provider in paragraph (d) of Section 12.3 (*Resource Provider Representations & Warranties*);

p. the following technical documents:

i. a preliminary engineering design of the Facility, consistent with Prudent Utility Practices, the Interconnection Agreement, the Facility Study and System Impact Study, and the MTRs;

ii. a proposed relay protection scheme (to include the PREPA Interconnection Facilities and the Resource Provider Interconnection Facilities); a certified PSS/E mathematical model of the specific facility, the manufacturer's performance data and expected output curve;

iii. a certified PSS/E mathematical model of the specific facility, the manufacturer's performance data and expected output curve; and

q. appointment of Service of Process Agent.

2. Prior to the signing of this Agreement by PREPA:

a. The FOMB, PREB and P3A shall have approved the execution of this Agreement;

b. PREPA shall have obtained a letter of approval from the FOMB to PREPA substantially recognizing that the costs and obligations owed to Resource Provider by PREPA arising under this Agreement are administrative expenses and entitled to priority treatment within the meaning of section 5.3 of the Bankruptcy Code, as made applicable by section 301(a) of PROMESA; and

c. delivery of a legal opinion prepared by its external counsel in a form reasonably acceptable to Resource Provider, confirming the warranty made by PREPA in paragraph (b) of Section 12.4 (*PREPA Representations & Warranties*).

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APPENDIX C

CONDITIONS SUBSEQUENT

PART 1 - RESOURCE PROVIDER CONDITIONS

As conditions subsequent to the Agreement Date, Resource Provider shall deliver the following documents to PREPA in form and substance satisfactory to PREPA:

a. the Performance Security;

b. certified true and correct copy, signed by a duly-authorized representative of Resource Provider, of a wire transfer confirming that Resource Provider has remitted the Non-Refundable Fee to the following account:

Receiving Bank Address:	Banco Popular of Puerto Rico Ponce de Leon Ave., No. 209 San Juan, PR 00918
ABA No.:	021502011
Beneficiary Name:	Puerto Rico Electric Power Authority
Account Number:	203834253
Payment Details:	Tranche 1 RFP – Non-Refundable Fee

c. an executed copy of the Interconnection Agreement signed by the T&D Operator;

d. the Payment Guarantee; provided that Resource Provider shall only be required to deliver and maintain the Payment Guarantee for the period that Resource Provider does not have a net worth of at least twenty-five million dollars ($25,000,000); and

e. appointment of a Service of Process Agent.

PART 2 - PREPA CONDITIONS

As conditions subsequent to the Agreement Date, PREPA shall provide evidence of filing this Agreement with the Puerto Rico Controller no later than ten (10) Business Days after the Agreement Date.

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APPENDIX D

MILESTONE SCHEDULE

Milestones	Time for Completion / Occurrence*	Resource Provider Delay Liquidated Damages (USD Per Day of Delay)
Construction Start	June 30, 2026	N/A
Initial Synchronization	June 30, 2027	N/A
Commercial Operation	Guaranteed Commercial Operation Date	$28,505

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APPENDIX E

RESOURCE PROVIDER PERMITS[1]

Resource Provider shall obtain the following licenses, permits and authorizations and any other licenses, permits and authorizations required by the Agreement, in each case to the extent applicable to Resource Provider and the Facility, and subject to any Change of Law.

Issuing Agency	Permit Description	Date Required or Received
Federal		
US-EPA	NPDES General Construction Permit - Storm Water Pollution Prevention Plan (SWPPP)	Prior to Construction Start Date
Commonwealth		
PR-PMO	Environmental Compliance REA-DEA. Compliance with Puerto Rico Public Policy Law (Law 416, Article 4(B)(3)). Evaluation of the potential environmental impacts	Prior to the issuance of Permits
PR-DNER	Habitat Categorization - Flora and Fauna Study to determine species present on site and identification of any critical habitat within the site.	
PR-PMO	Land Zoning Consultation – PR-PMO's Adjudicative Board evaluation of projects location.	
PR-PMO - PREPA	Infrastructure Recommendation (SRI) for PREPA's interconnection point.	
[PR-PMO - PR-ASA]	Infrastructure Recommendation (SRI) will be submitted to PR-ASA for connection to water and sewer service for the project.	
PR-PMO – PR-HTA	Infrastructure Recommendation (SRI) will be submitted to PR-HTA for project access.	
PR-PMO – PR-CI	Archaeological Recommendation (SRA) – Authorization from the PR-CI for project construction. Identification of properties with historical and architectural value, if any, and definition of protection measures. Identification of potential archaeological sites and mitigation measures	
PR-PMO	Agricultural endorsement	
PR-PMO	Phase 1 - Construction Permit (PCU) – Authorization for project mobilization and earth movement.	
PR-PMO – PRDNER	Incidental Single Permit – Permit includes Tree Inventory and Mitigation Plan, Earth Work Incidental Permit and General Consolidated Permit to establish erosion and sedimentation control measures.	
PR-PMO	Phase 2 – Construction Permit (PCO) for Interconnection Line	
PR-PMO – PREPA	PREPA design approval for Photovoltaic Construction Permit	

[1] Note to PREPA: Subject to final review.

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PR-PMO	Construction Permit (PCO) – Authorization for project's construction phase.	
PR-PMO	Use Permit – Authorization for the project's operational phase.	
PR-HTA	Infrastructure Recommendation will be submitted to PR-HTA for project access.	
PR-ASA	If needed, an Infrastructure Recommendation (SRI) will be submitted to PR-ASA for connection to water and sewer service for the project.	
Agriculture Department	Agricultural Endorsement	
PR-PMO	Phase 3 - Construction Permit (PCO) for Photovoltaic Power Plant	
PREB Renewable Energy Systems Installation Certification	Required after installation of a renewable energy system.	Prior to Commercial Operation Date
PREB Certification as an electric service company	Required for the sale of energy generated by distributed generators interconnected with the PREPA grid with an aggregate capacity of more than 1 MW.	Prior to Commercial Operation Date
PR-PMO Single Permit (comprises use, fire safety, health standards and others, if applicable)	Required for the use or occupation of buildings and properties.	Prior to Commercial Operation Date
Other Applicable Governmental Authorities		
Municipality Endorsement	Municipality's Endorsement for proposed action.	

Legend:

NOAA	=	National Oceanic and Atmospheric Administration
NPDES	=	National Pollutant Discharge Elimination System
PR-PMO	=	Puerto Rico Permits Management Office
PR-DNER	=	Puerto Rico Department of Environmental and Natural Resources
PR-HTA	=	Puerto Rico Highway and Transportation Authority
PR-CI	=	Puerto Rico Culture Institute
PR-ASA	=	Puerto Rico Aqueduct and Sewer Authority
US-EPA	=	United States Environmental Protection Agency
US-FEMA	=	United States Federal Emergency Management Agency
US-FWC	=	United States Fish and Wildlife Service

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APPENDIX F

COMPENSATION

1. Monthly Payment

For each Billing Period, PREPA shall pay to Resource Provider a payment for Energy Storage Services provided to PREPA, in arrears (the "**Monthly Payment**"). The Parties shall calculate the Monthly Payment for Billing Period "n" as follows:

$$\mathbf{MP_n = MFP_n - ADJ_n}$$

where:

MP_n = Monthly Payment for Billing Period "n", expressed in dollars;

MFP_n = Monthly Fixed Payment for Billing Period "n", as determined in accordance with Section 2 (*Monthly Fixed Payment*) of this Appendix F;

ADJ_n = other credits or amounts to which PREPA has a right under this Agreement; and

n = such Billing Period.

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Resource Provider acknowledges and agrees that the Monthly Payment, and through it the Capability Payment Price, represents the all-in payment for the Energy Storage Services, including all Ancillary Services whatsoever, as well as all Green Credits and costs to Resource Provider of complying with this Agreement.

2. Monthly Fixed Payment

For each Billing Period "n", the Parties shall calculate the monthly fixed payment for such Billing Period (the "**Monthly Fixed Payment**" or "**MFP_n**") as follows:

$$\mathbf{MFP_n = CPP \times MCC_n \times FAA_n \times PRA_n}$$

where:

CPP = the Capability Payment Price for such Billing Period, which the Parties shall calculate as follows:

$$\mathbf{CPP = CPPF + CPPPIF}$$

where:

CPPF[2] = an amount to compensate Resource Provider for the cost of the Project, other than the cost of the PREPA Interconnection

[2] NTD: The CPPF amounts have been reduced to account for DOE savings and economies of scale achieved by increasing the MW capacities of both ESSAs.

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Facilities Works, and subject to any adjustment in accordance with Section 9.6 (*Improvement in Financial Conditions*) or paragraph (b) of Section 17.1 (*Change in Law*), being the amount set out in the column captioned "CPPF ($/MW-Month of MCC)" that corresponds to the applicable Agreement Year:

Agreement Year	CPPF ($/MW-Month of MCC)
1	24,500
2	24,990
3	25,490
4	26,000
5	26,520
6	27,050
7	27,591
8	28,143
9	28,706
10	29,280
11	29,865
12	30,463
13	31,072
14	31,693
15	32,327
16	32,327
17	32,327
18	32,327
19	32,327
20	32,327
21	32,327
22	32,327
23	32,327
24	32,327
25	32,327

CPPPIF[3] = an amount to compensate Resource Provider for the cost of the PREPA Interconnection Facilities Works, being the amount set out in the column captioned "CPPPIF ($/MW-Month of MCC)" that corresponds to the applicable Agreement Year:

Agreement Year	CPPPIF ($/MW-Month of MCC)
1	146
2	149

[3] NTD: The CPPPIF amounts had already been updated to reflect the interconnection estimate provided by LUMA and scaled down considering the increased MW capacity of the contracts – and have now been scaled back up to reflect the new 50 MW MCC limit for purposes of CPPPIF.

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Agreement Year	CPPPIF ($/MW-Month of MCC)
3	152
4	155
5	158
6	161
7	164
8	168
9	171
10	174
11	178
12	182
13	185
14	189
15	193
16	196
17	200
18	204
19	209
20	213
21	0
22	0
23	0
24	0
25	0

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provided that (i) to the extent that the final built cost of the PREPA Interconnection Facilities Works through completion of their construction (the "**Contracted Cost**"), is lower than the PREPA Interconnection and System Upgrade Cost Estimate (the "**Estimated Cost**"), the CPPPIF shall be adjusted downward by the ratio that the Contracted Cost bears to the Estimated Cost, (ii) to the extent the Contracted Cost equals or exceeds the Estimated Cost, the CPPPIF shall remain as stated in this Agreement, and (iii) for purposes of computing the CPPPIF only, the MCC shall be deemed not to exceed 50 MW. The Parties shall acknowledge in writing any adjustment of the CPPPIF under sub paragraph (i);

MCC_n = Monthly Contract Capability for such Billing Period as adjusted in accordance with Section 3 (*Monthly Contract Capability*) of this Appendix F;

FAA_n = Facility Availability Adjustment for such Billing Period, determined pursuant to Section 4 (*Facility Availability*) of this Appendix F; and

PRA_n = PREPA Risk Adjustment for such Billing Period, determined pursuant to Section 5 (*PREPA Risk Adjustment*) of this Appendix F.

3. Monthly Contract Capability

a. At the Commercial Operation Date, the Monthly Contract Capability shall equal the Design D^{max}. After the Commercial Operation Date, the Monthly Contract Capability will be adjusted as described in paragraphs (b) and (c) of this Section 3 of this Appendix F.

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b. At the end of each Agreement Year, the Monthly Contract Capability for the following Agreement Year will be reduced to the lesser of (i) Degraded Duration Energy divided by the Design D^{max} Duration, or (ii) the Tested Result, as follows:

$$\mathbf{MCC_y = min\ [DDE/\ DDD,\ TR]}$$

where:

MCC_y = Adjusted MCC for the Agreement Year;

DDE = Degraded Duration Energy for the Agreement Year;

DDD = the Design D^{max} Duration;

TR = the Tested Result, i.e., the MCC as adjusted pursuant to the most recent Performance Test in accordance with Section 6.9 (*Supply Period Performance Tests*); and

y = Agreement Year.

c. The Monthly Contract Capability will be adjusted based on the results of Performance Tests as follows:

1. The adjustment to the Monthly Contract Capability will take effect on the first Day of the Billing Period following the Billing Period in which the Performance Test occurred and will continue in effect until either (A) another Performance Test is completed, or (B) an annual adjustment pursuant to paragraph (b) of this Section 3 of this Appendix F is made.

2. If the Tested Duration Energy of the Facility falls below ninety-nine percent (99%) of the Degraded Duration Energy, the Monthly Contract Capability will equal the Tested Duration Energy divided by the Design D^{max} Duration.

3. If the Tested Duration Energy of the Facility equals or exceeds ninety-nine percent (99%) of the Degraded Duration Energy, the Monthly Contract Capability will equal the Degraded Duration Energy divided by the Design D^{max} Duration.

4. Facility Availability

a. Facility Availability Adjustment

The Facility Availability Adjustment will be applied in calculating the Monthly Payment in accordance with Section 1 (*Monthly Payment*) of this Appendix F. Paragraph (b) of this Section 4 of this Appendix F contains the formula to calculate Facility Availability. For each Billing Period the Facility Availability Adjustment is:

FA (%)	FAA
Greater than or equal to ninety-eight percent (98%)	One hundred percent (100%)

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Less than ninety-eight percent (98%) but greater than seventy percent (70%)	One hundred percent (100%) - [(ninety-eight percent (98%) – FA)] x two (2)
Less than seventy percent (70%)	Zero percent (0%)

b. Calculation of Facility Availability

1. Resource Provider shall calculate the availability of the Facility in a Billing Period "n" using the formula set forth below (the "**Facility Availability**"):

$$\mathbf{FA_n} = \left(\frac{\mathbf{BPHRS_n} - (\mathbf{POHRS_n} + \mathbf{UNAVHRS_n} + \mathbf{UNAVPRODHRS_n})}{\mathbf{BPHRS_n} - \mathbf{POHRS_n}}\right)$$

where:

FA_n = Facility Availability for Billing Period "n";

$BPHRS_n$ = total number of hours for Billing Period "n";

$POHRS_n$ = total number of Permitted Outage Hours where the Facility was unavailable to deliver Adjusted Duration Energy or unable to accept Charge Energy in the Billing Period, provided that the number of POHRS in a Billing Period due to Scheduled Outages and Scheduled Deratings may not exceed the maximum number of hours per Year permitted for such events pursuant to paragraph (a) of Section 6.3 (*Scheduled Maintenance*);

A Scheduled Outage or Force Majeure (declared by Resource Provider) that occurs for less than a full hour, or any Scheduled Derating will count as an equivalent percentage of the applicable hour(s) for this calculation. For example, if Resource Provider Notifies PREPA of a change in the Facility's D^{max} that results in a reduction in Adjusted Duration Energy by ten percent (10%) for twenty (20) hours due to a Scheduled Derating, then the Facility would be deemed unavailable for two (2) full hours;

$UNAVHRS_n$ = total number of hours in which the Facility was unavailable to deliver Adjusted Duration Energy or unable to accept Charge Energy during the Billing Period due to (A) a Non-Scheduled Outage or Non-Scheduled Derating; (B) an extension of a Scheduled Outage or Scheduled Derating from its original schedule that was not notified to and approved by PREPA in accordance with Section 6.3 (*Scheduled Maintenance*); or (C) Resource Provider declaring the Facility unavailable, in whole or in part, for any hour or part of an hour, for any reason other than an event that counts toward $POHRS_n$, provided that (i) an event described in (A) through (C) above that involves a Non-Scheduled Derating of the Facility shall result in

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unavailability of the Facility only to the extent that the Facility is unavailable to deliver Adjusted Duration Energy or unable to accept Charge Energy, as applicable, as a result of such event, with such Facility unavailability determined based on the difference between the standard of performance for the Facility required in accordance with the Agreement and the actual performance of the Facility during such event, and (ii) if an event described in (A) through (C) above or occurs for less than a full hour, the unavailability will count as an equivalent percentage of the applicable hour;

$UNAVPRODHRS_n$= total number of hours in which the Facility (A) was unable to provide Product other than Energy due to an event that inhibits the Facility's ability to provide such other Products but not its ability to deliver Energy; (B) inability of Resource Provider to maintain certification of any such other Product; or (C) Resource Provider declaring the Facility unable to provide such other Product, in whole or in part, for any hour or part of an hour, for any reason other than an event that counts toward $POHRS_n$, provided that (i) an event described in (A) through (C) above that continues for less than a full hour will count as an equivalent percentage of the applicable hour for this calculation, and (ii) any hour or partial hour considered unavailable for the purposes of UNAVHRSn will not also be considered UNAVPRODHRSn; and

n = relevant Billing Period "n" in which Facility Availability is calculated.

2. If the Facility or any component thereof was previously deemed unavailable for an hour or part of an hour of any Day of the Supply Period, and Resource Provider provides a revised notice indicating the Facility is available for that hour or part of an hour by 5:00 a.m. of the morning PREPA schedules the Dispatch Notice or Charge Notice for such Day, the Facility will be deemed available to the extent set forth in the revised notice.

5. PREPA Risk Adjustment

The Parties shall calculate the PREPA Risk Adjustment ("**PRA**") for Billing Period "n" as follows:

$$\mathbf{PRA_n} = \left(\frac{\mathbf{BPHRS_n} - (\mathbf{GSEHRS_n} + \mathbf{PFMHRS_n} + \mathbf{IPHRS_n})}{\mathbf{BPHRS_n}}\right)$$

where:

PRA_n = PREPA Risk Adjustment for the Billing Period;

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$BPHRS_n$ = total number of hours for the Billing Period;

$GSEHRS_n$ = the duration (in hours) of any Grid System Event (other than a Force Majeure affecting PREPA) occurring in the Billing Period, provided that the number of GSEHRS in the Billing Period when added to the number of GSEHRS in the preceding Billing Periods for the Year, shall not exceed the Grid System Waiting Period, and any such excess GSEHRS shall not be included in the calculation of $GSEHRS_n$;

$PFMHRS_n$ = duration (in hours) of any Force Majeure affecting PREPA occurring in the Billing Period, provided that the number of PFMHRS in the Billing Period when added to the number of PFMHRS in the preceding Billing Periods for the Year, shall not exceed the Force Majeure Waiting Period, and any such excess PFMHRS shall not be included in the calculation of $PFMHRS_n$; and

$IPHRS_n$ = duration (in hours) of any event during the Billing Period in respect of which Resource Provider may recover insurance proceeds from any insurance policy that Resource Provider obtains (or would have obtained had it complied with this Agreement) in respect of PREPA Risk Events, including business interruption insurance in accordance with paragraph (g) of Section 18.1 (*Resource Provider Requirements*).

Resource Provider acknowledges and agrees that the Monthly Fixed Payment shall not apply in respect of an hour Billing Period in respect of which Resource Provider has recovered insurance proceeds from any insurance policy that Resource Provider obtains (or would have recovered had it obtained and maintained each insurance policy that this Agreement requires Resource Provider to obtain and maintain) in respect of PREPA Risk Events, including business interruption insurance in accordance with paragraph (g) of Section 18.1 (*Resource Provider Requirements*).

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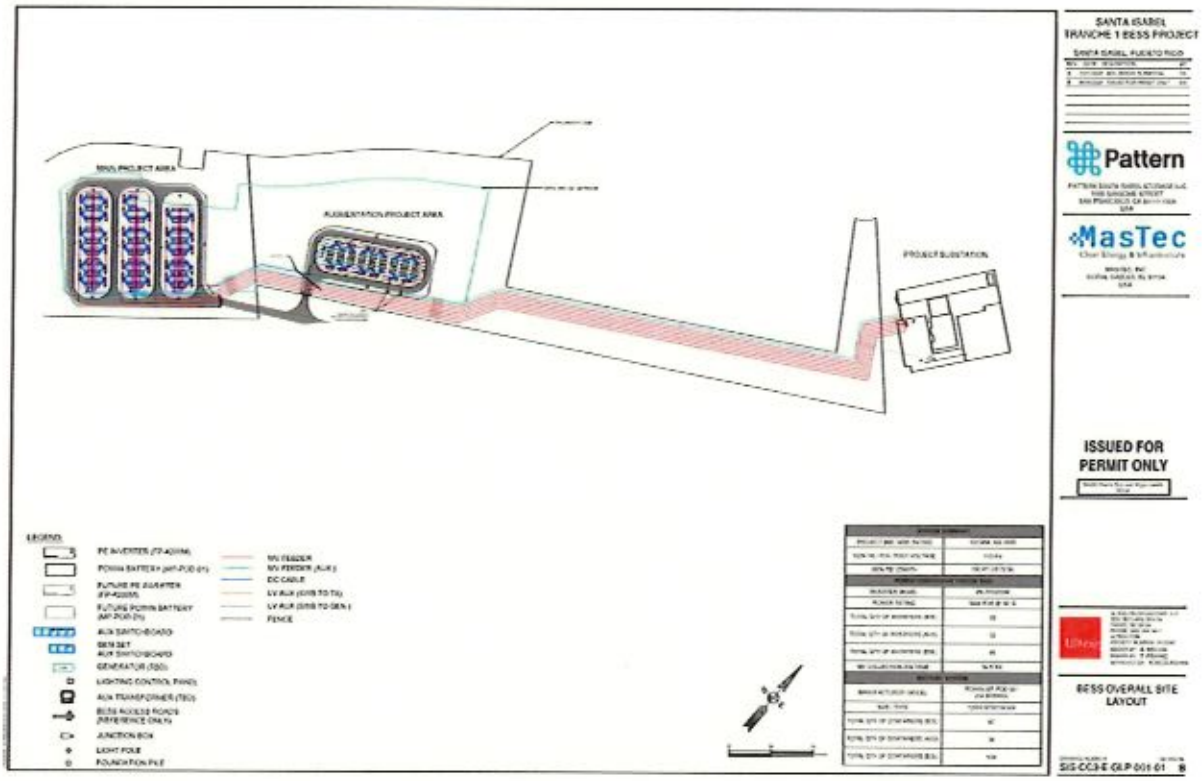
APPENDIX G

FACILITY SITE



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APPENDIX H

INTERCONNECTION DESCRIPTION AND SPECIFICATIONS

1. Description of the Interconnection Facilities

The electrical interconnection single line attached as Appendix H-1 (*Electrical Interconnection Single Line*) identifies the Interconnection Point, PREPA Interconnection Facilities, Resource Provider Interconnection Facilities, and metering locations.

2. Interconnection Point Specifications

Resource Provider shall perform and comply with the following interconnection specifications for the Resource Provider Interconnection Facilities. These specifications and standards do not constitute an all-inclusive scope of work. The Facility Study and System Impact Study shall determine the design as described in Article 3 (*Pre-Operation Period*) and may modify the single line set out in Appendix H-1 (*Electrical Interconnection Single Line*).

a. Codes and Standards Requirements:

All designs should be in accordance with the latest PREPA Design Criteria Documents, applicable ANSI/IEEE and NESC standards, and building codes. This includes standards and codes from the following:

1. the following PREPA design criteria documents or T&D Operator's equivalent documents (the "**PREPA Design Criteria Documents**" or "**DCDs**"):

   i. PREPA Protection and Control Design Criteria;

2. NECA/BICSI 607, Standard for Telecommunications Bonding and Grounding Planning and Installation Methods for Commercial Buildings;

3. American Concrete Institute (ACI) Design Codes and Construction Specifications;

4. American Institute of Steel Construction (AISC);

5. American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE);

6. American Welding Society (AWS);

7. American Wood Protection Association (AWPA);

8. Association of Edison Illuminating Companies (AEIC);

9. Building Industry Consulting Services International (BICSI);

10. Code of Federal Regulations (CFR);

11. Construction Specifications Institute (CSI);

12. Electric Power Research Institute (EPRI);

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13. Federal Aviation Administration (FAA);
14. Federal Communications Commission (FCC);
15. Illuminating Engineering Society (IES);
16. Institute of Electrical and Electronics Engineers (IEEE);
17. Insulated Cable Engineers Association (ICEA);
18. International Electrotechnical Commission (IEC);
19. ITSIMM 6th Edition - Information Transport Systems Installation Methods Manual;
20. National Electrical Code (NEC);
21. National Electrical Manufacturers Association (NEMA);
22. National Electrical Safety Code (NESC);
23. National Fire Protection Association (NFPA);
24. NECA/BICSI 568, Standard for Installing Commercial Building Telecommunications Cabling;
25. North American Electric Reliability Corporation (NERC);
26. OSPDRM 5th Edition - Outside Plant Design Reference Manual;
27. Puerto Rico Building Code 2018;
28. Regulations per the Commonwealth;
29. Rural Utilities Service (RUS), United States Department of Agriculture;
30. RUS 1724E-300, U.S. Dept. of Agriculture Design Guide for Rural Substations;
31. TDMM 14th Edition - Telecommunications Distribution Methods Manual;
32. Telecommunications Industry Association (TIA);
33. ANSI/TIA 568.0-D, Generic Telecommunications Cabling for Customer Premises;
34. ANSI/TIA 569-E, Telecommunications Pathways and Spaces;
35. ANSI/TIA 606-C, Administration Standard for Telecommunications Infrastructure;
36. ANSI/TIA 607-D, Generic Telecommunications Bonding and Grounding (Earthing) for Customer Premises;

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37. ANSI/TIA-1005-A, Telecommunications Infrastructure Standard for Industrial Premises; and

38. ANSI/TIA-758-B, Customer-Owned Outside Plant Telecommunications Infrastructure Standard.

b. Transmission Line Requirements:

1. Resource Provider shall perform the following tasks:

i. all ROW/Easement acquisition, 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. PREPA shall review and provide comments on all Resource Provider's drawings, submittals and design inputs for Resource Provider's transmission line design.

c. Telecommunication Requirements (in addition to the requirements as identified in paragraph (a) of Section 2 (*Interconnection Point Specifications*) of this Appendix H (*Interconnection Description and Specifications*):

1. Resource Provider shall perform the following tasks:

i. install, wire, and program the SCADA Remote Terminal Units (RTUs) at the Resource Provider Interconnection Facilities and the Site;

ii. install and wire the telecommunication equipment for the Resource Provider Interconnection Facilities;

iii. programming the communication settings for the relays, meters, and all miscellaneous equipment connected to the RTU;

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iv. installation of conduits for control cables from the equipment to the control house;

v. installation of telecommunications pathways at the Resource Provider 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 Resource Provider 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 Resource Provider Interconnection Facilities to be fully operational.

2. PREPA shall perform the following tasks:

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.

d. Commissioning and Testing Requirements:

1. Resource Provider shall perform the following tasks:

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 Resource Provider's collector site only, including 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 Resource Provider Interconnection Facilities;

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 Resource Provider's SCADA system. Depending on the type of alarm or signal into Resource Provider's SCADA system, PREPA personnel may act as a witness to validate the input. PREPA will perform final validation and acceptance of the SCADA integration;

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;

xv. verification of the OTDR tests for fiber optic cable performed by Resource Provider for the following cables:

A. fiber cable between the Interconnection Point and the Facility;

B. fiber cable for interconnection to PREPA's network;

C. if applicable, 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 Resource Provider at the Resource Provider Interconnection Facilities.

This work includes verification, testing, configuration, and inspection of equipment specified by PREPA and materials, cable installation, and testing by Resource Provider;

xvi. submit all test protocols for PREPA approval; and

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xvii. submit all test results in a test book for PREPA approval.

2. PREPA shall perform the following tasks:

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. provide a PREPA's site representative and the required technical resources from PREPA to comply with the Milestone Schedule;

v. witness all tests and commissioning of the electrical equipment installed at the Interconnection Facilities and the Site;

vi. at existing PREPA sites where protection and control components are being updated, modified, or interconnected with, the tests should be done exclusively by PREPA;

vii. perform final SCADA tests by PREPA acceptance test personnel from the point where Resource Provider consolidates SCADA data and transmits it to the PREPA SCADA system;

viii. perform the acceptance and commissioning tests on the equipment and auxiliaries according to PREPA's practices and Applicable Standards at the PREPA Interconnection Facilities and remote ends; and

ix. perform end to end testing of all trips and controls by PREPA's Acceptance Tests Department personnel.

3. Other Requirements for Interconnection

Resource Provider shall ensure that it and its contractors under the Facility Construction Contract:

a. dispose of all garbage generated because of the work, in accordance with Applicable Law;

b. comply with all environmental laws, during and after construction, including:

1. submission of the Facility 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 Resource Provider Interconnection Facilities;

2. all the terms and conditions established in the approvals of the submitted plans, Permits, and endorsement from Governmental Authorities; and

3. upon the completion of the Resource Provider Interconnection Facilities, the closing of any of the acquired Permits that require closure; and

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c. mitigate any environmental concerns and deficiencies found by PREPA's personnel or any regulatory agencies caused by Resource Provider at any time.

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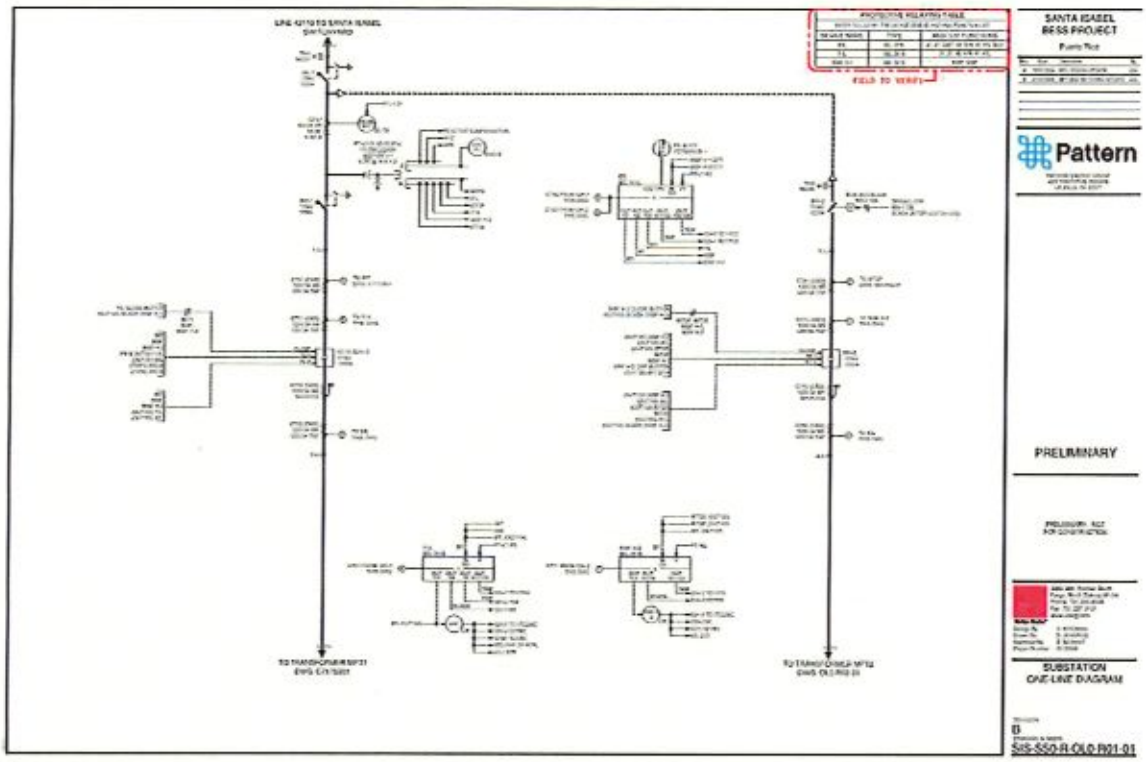
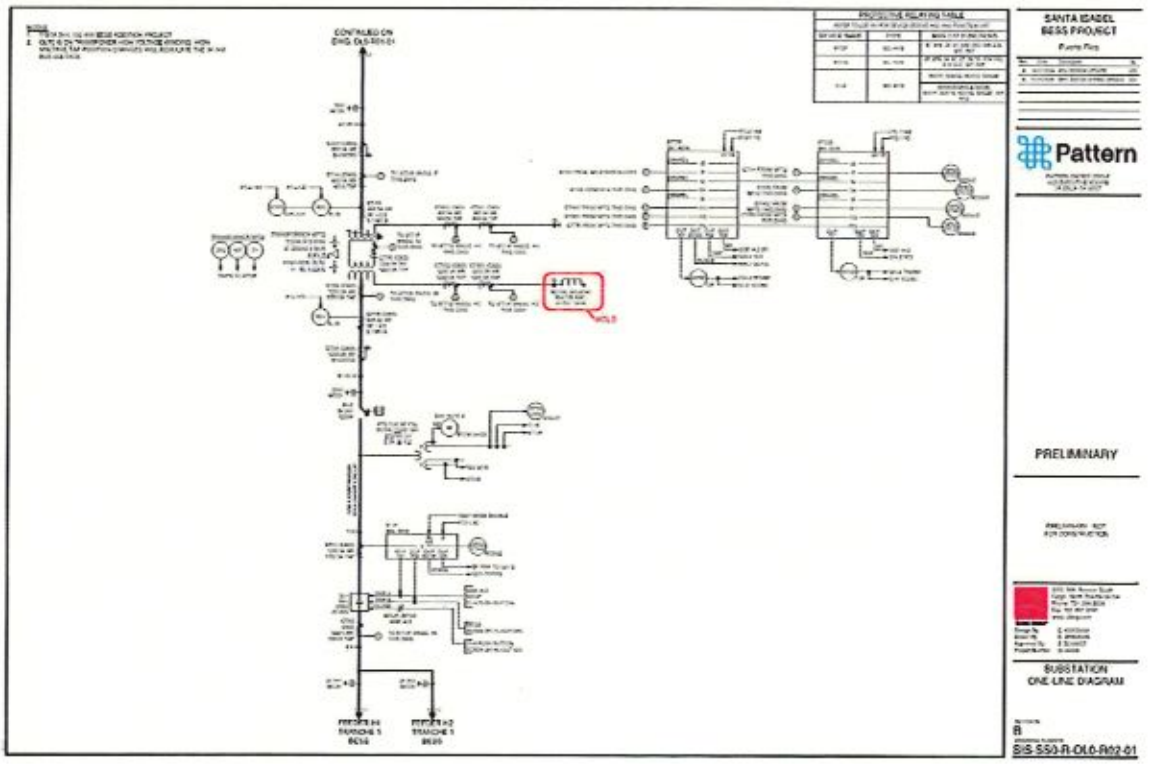
APPENDIX H-1

ELECTRICAL INTERCONNECTION SINGLE LINE





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APPENDIX I

PROGRESS REVIEW

1. Scope

The Independent Expert shall make comments and recommendations to Resource Provider in respect of:

a. any aspect of the design (including surveys and drawings) of the Facility;

b. any works performed pursuant to the Facility Construction Contract or other contracts related to the design or engineering of the Facility; and

c. the operation of the Facility.

2. Reviews and Inspections

a. For the design of the Facility, or any other required report, Resource Provider shall submit an electronic copy of such document requested by the Independent Expert. Resource Provider shall deliver all electronic copies requested for review by email to the address specified in such request in a readily accessible format agreed with the Independent Expert. The Independent Expert may provide comments on selected documents and shall designate comments in accordance with Section 3 (*Designations and Subsequent Actions*) of this Appendix I (*Progress Review*).

b. For works under paragraph (b) of Section 1 (*Scope*) of this Appendix I, Resource Provider shall take all reasonable measures to allow the Independent Expert to undertake inspections as required. The Independent Expert shall submit a report to Resource Provider within forty-eight (48) hours after completion of an inspection activity. This report shall contain comments designated in accordance with Section 3 (*Designations and Subsequent Actions*) of this Appendix I.

c. For the operation of the Facility, Resource Provider shall take all reasonable measures to allow the Independent Expert to undertake inspections as required. The Independent Expert shall submit a report within twenty-one (21) Days after completion of an inspection. This report shall contain comments designated in accordance with Section 3 (*Designations and Subsequent Actions*) of this Appendix I (*Progress Review*).

3. Designations and Subsequent Actions

The designations of the relevant documents shall fall into one of the following categories:

a. "*Reviewed/Inspected and accepted*", meaning that the document, particular works or operation of the relevant component conform to the requirements of this Agreement. Such designation shall not relieve Resource Provider from any of its obligations or responsibilities under this Agreement or bind PREPA in respect of such document, particular works, or operation of the relevant project component. If Independent Expert makes any comments under this designation, such comments shall take the form of suggestions for alternative design, construction, or operational procedures which may result in reduced cost, enhanced construction progress, or contribute to ease of operation.

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Resource Provider shall have no obligation to adopt or respond to any such comments made under this designation.

b. "*Reviewed/Inspected with comments*", meaning the comments constitute a form of requests for further details or clarifications on the basis that the relevant document, works, or operation of the relevant component does not appear to conform with the requirements of this Agreement. Such identified issues shall be deemed to have been considered non-compliant by PREPA's Independent Expert on that basis until such time as Resource Provider provides the required details and clarifications in a sufficiently satisfactory manner for the Independent Expert to reach a final decision. Following receipt and review of the requested details and clarifications, the Independent Expert shall then designate such matter as either "Reviewed/Inspected and accepted" or "Reviewed/Inspected and rejected as non-compliant" as may be appropriate.

c. "*Reviewed/Inspected and rejected as non-compliant*", meaning the comments constitute the rejection by the Independent Expert of the documents, works, or operation of the relevant component of the Facility or Interconnection Facilities on the basis that it does not comply with this Agreement, in which event the Independent Expert shall provide a statement setting out in adequate detail the reasons for such designation.

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APPENDIX J

OPERATING CHARACTERISTICS

I. FACILITY DESCRIPTION

Facility name: Santa Isabel Storage

Site name: Santa Isabel

Facility physical address: PR-153, Km.2.4, Felicia I Ward, Santa Isabel, PR, 00757

Total number of modules at the Facility: ~96-118 battery containers, each ~4.6-5.0 MWh, , capable of 100 MW / 400 MWh at beginning of life (BOL)

Project elevation: 73 (feet above sea level)

Project latitude: 17.980386 (decimal form)

Project longitude: -66.402500 (decimal form)

II. UNIT(S) DESCRIPTION

Units: Jinko Storage Eagle DCB-5000, Tesla Megapack v2/v3, or equivalent

Technology type: Lithium Ion Battery Energy Storage

Specific module description: Lithium Iron Phosphate (LFP)

Cell gross energy per enclosure: ~4.6-5.0 MWh

Interconnection Point for the Facility will have characteristics as follows:

Distribution area: n/a

Existing zone: n/a

Load zone: n/a

Substation: Pattern Santa Isabel Windfarm (115 kV)

Additional information: n/a

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III. OPERATIONAL CHARACTERISTICS

Discharging and Charging

One hundred percent (100%) State of Charge (SOC) is defined as the highest state of charge to which the Facility can be consistently charged without damage beyond expected degradation from normal use. Zero percent (0%) SOC means the lowest state of charge to which the Facility can be consistently discharged without damage beyond expected degradation from normal use. If Resource Provider normally specifies highest and lowest SOC values differently, Resource Provider should normalize minimum and maximum SOC to zero percent (0%) SOC and one hundred percent (100%) SOC, respectively. Resource Provider should also normalize reporting of energy stored such that the amount of energy stored at zero percent (0%) SOC is 0 MWh and that the energy stored at one hundred percent (100%) SOC is fully available for discharge. Resource Provider will provide details on how the State of Charge is measured and physically indicated. For each characteristic, list the value that the facility will be designed to have at the Commercial Operation Date.

Design D^{max}: 100 MW

Design D^{min}: 1.2 MW

Design Discharge Duration: 4 hours

Design D^{max} Duration: 4 hours

Design Storage Energy: 400 MWh

Design Duration Energy: 400 MWh

Design C^{max}: 100 MW

Design C^{min}: 1.2 MW

Design Charge Duration: 4 hours

Design C^{max} Duration: 4 hours

Design Charge Energy 400 MWh

System Efficiency

Guaranteed Efficiency (at Point of Interconnection): 85%

Full Duty Cycle Efficiency: 85%

Stand-by Self Discharge: 3.5%/month

Stand-by Energy Consumption: 1.7 MW

Ramp Rates

Ramp rates are configurable to be in compliance with the MTRs.

D^{min} to D^{max}: 100 MW/min

C^{min} to C^{max}: 100 MW/min

D^{max} to D^{min}: 100 MW/min

C^{max} to C^{min}: 100 MW/min

System Response Time

Timing should commence with system at a steady-state starting value and end when system has reached a steady-state ending value. Both steady-state starting value and steady-state ending value will be measured at the energy management system ("EMS") unit controllers at the power conversion system ("PCS") level. Idle means that the Facility is neither charging nor discharging, but is online and available for immediate operation. Time should include time from notification.

Idle to D^{max}: 1 second

Idle to C^{max}: 1 second

D^{max} to C^{max}: 1 second

C^{max} to D^{max}: 1 second

D^{min} to C^{min}: 1 second

C^{min} to D^{min}: 1 second

For the purpose of filling out this Appendix, Discharge (Charge) Start-up time means the amount of time needed to bring the Facility from non-operation to D^{min} (C^{min}) measured at the EMS unit controllers at the PCS level. (The state of non-operation includes but is not limited to being unsynchronized to the grid.) If applicable, provide Start-Up time for each Unit. Provide in seconds if appropriate.

Discharge Start-Up time (from notification to D^{min}): 5 minutes

Charge Start-Up time (from notification to C^{min}): 5 minutes

Discharge Start-Up fuel: n/a MMBtu

Starts and other Run Time Limitations

Describe start limitations for the Facility. Include any daily and/or annual start limitations. Insert constraints, if any, on run hours and a brief description of the reason for such constraint(s). If possible, Resource Provider shall provide a formula for annual dispatch purposes that provides PREPA more flexibility to operate the Facility.

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Start limitations: N/A

Run hour limitations: 0% Minimum SOC, 100% Maximum SOC operating limitations, Maximum average SOC per year of 50%, 365 Equivalent Cycles per year

Ancillary Services

System will conform to the MTRs per Appendix K

Other Restrictions:

365 Equivalent Cycles cap.

Maximum average SOC per year of 50%

Cycle Limitations: 365 Equivalent Cycles per year

Set out in the table below is the available power and usable Energy capacity for the Facility in each Agreement Year (in MW and MWh) ("**Usable Energy Capacity**"):

Agreement Year	Available Power (MW)	Usable Energy Capacity (MWh)
0	100	400.0
1	100	400.0
2	100	400.0
3	100	400.0
4	100	400.0
5	100	400.0
6	100	400.0
7	100	400.0
8	100	400.0
9	100	400.0
10	100	400.0
11	100	400.0
12	100	400.0
13	100	400.0
14	100	400.0
15	100	400.0
16	100	400.0
17	100	400.0
18	100	400.0
19	100	400.0
20	100	397.9
21	100	389.2
22	100	380.8
23	100	372.5
24	100	364.2
25	100	355.9

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The Parties shall count one (1) cycle of the Facility each time the cumulative amount of Discharge Energy (as measured at the Interconnection Point) equals the Usable Energy Capacity for the applicable Agreement Year (an "**Equivalent Cycle**").

Resource Provider shall make the Facility available for 365 Equivalent Cycles in each Agreement Year.

For the avoidance of doubt, subject to the daily run hour limitation set forth above, PREPA may dispatch the Facility for more than one (1) Equivalent Cycle per Day, provided that the aggregate number of Equivalent Cycles in an Agreement Year does not exceed 365.

Degradation:

Annual D^{max} Degradation Rate: 0% per Agreement Year

Annual C^{max} Degradation Rate: 0% per Agreement Year

Annual Storage Degradation Rate: schedule below

Annual Duration Energy Degradation Rate: schedule below

Agreement Year	D^{max} (MW)	C^{max} (MW)	Storage (hrs)	Degraded Duration Energy (MWh)
0	100	100	4.00	400.0
1	100	100	4.00	400.0
2	100	100	4.00	400.0
3	100	100	4.00	400.0
4	100	100	4.00	400.0
5	100	100	4.00	400.0
6	100	100	4.00	400.0
7	100	100	4.00	400.0
8	100	100	4.00	400.0
9	100	100	4.00	400.0
10	100	100	4.00	400.0
11	100	100	4.00	400.0
12	100	100	4.00	400.0
13	100	100	4.00	400.0
14	100	100	4.00	400.0
15	100	100	4.00	400.0
16	100	100	4.00	400.0
17	100	100	4.00	400.0
18	100	100	4.00	400.0
19	100	100	4.00	400.0
20	100	100	3.98	397.9
21	100	100	3.89	389.2
22	100	100	3.81	380.8
23	100	100	3.73	372.5
24	100	100	3.64	364.2
25	100	100	3.56	355.9

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APPENDIX K

MINIMUM TECHNICAL REQUIREMENTS

Capitalized terms used throughout this Appendix K (*Minimum Technical Requirements*) have the meaning set forth in the Agreement, unless otherwise defined herein.

Resource Provider shall comply with the following MTRs:

1. Frequency Control and Regulation

a. Fast active power (P) source capable of continuously injecting or absorbing energy from the grid as a function of system frequency deviations to help manage and maintain frequency at 60 Hz.

b. Instantaneous and immediate active power (P) response of battery energy storage system ("**BESS**") proportional to frequency deviations from scheduled frequency.

c. The rate of active power (P) response of BESS to frequency deviations shall be established based on configurable PREPA selected droop characteristic (*i.e.* 5% droop characteristic or more responsive as PREPA requires SCADA). PREPA shall be able to program and configure the droop via SCADA from 1% to 5% in steps of 0.5% (*i.e.* 3.0%, 3.5%, 4.0%, 4.5%, 5%).

d. Frequency regulation deadband shall be available. PREPA shall be able to configure and program the deadband via SCADA. The configurable deadband range shall be at least from 0.02% to 0.5%.

e. BESS frequency control and regulation mode time response (full frequency response) shall be less than 1.0 second.

f. PREPA shall be able to configure and select frequency regulation range (upper injection/lower absorption limits) via SCADA up to a maximum of its nominal capacity (*i.e.* +/- 15 MW, +/- 20 MW). Asymmetrical frequency regulation ranges should be allowed (*i.e.* +15 MW/-5 MW, +10 MW/-20 MW).

g. Capability to operate in the frequency control and regulation mode and simultaneously control the voltage by the injection or absorption of up to the required nominal reactive power at the Interconnection Point: (i) the frequency regulation control shall operate decoupled from the voltage regulation control mode and shall not limit the required reactive power capability of the Facility at the Interconnection Point, and (ii) the voltage regulation control shall not limit the required active power capability of the Facility at the Interconnection Point.

2. Rapid Spinning Reserve and Fast Frequency Response

a. Instantaneous injection of reserve energy as a function of the rate of change and/or deviations of the system frequency in the event of a sudden loss of generation or unexpected ramp-up in demand.

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b. Energy capability and power capacity to inject nominal active power output (at the Interconnection Point) in a range within the Discharge Duration, or such longer period as is possible based on the State of Charge and the discharge rate of Energy delivered from the Facility.

c. Injection of active power (P) within the first three (3) cycles of a specific frequency deviation trigger and/or a frequency rate of change trigger (PREPA shall be able to configure and select triggers).

i. Total configurability for PREPA selection of the active power output, response time and response slope.

ii. Total configurability for PREPA selection of triggers: frequency, rate of change of frequency and instantaneous/time delay combinations.

iii. For example, the rapid reserve might be selected to trigger if frequency decays to 59.6 Hz at a rate > 0.25 Hz/sec or drops and stays between 59.0 Hz and 59.2 Hz for > thirty (30) seconds or drops below 59 Hz.

iv. Total configurability for multiple sets of triggering combinations capable of being simultaneously active. The rapid reserve mode might be selected to trigger with Boolean or logical operators that combine active power output, response time, response slope, frequency limits, frequency rate of change and time delay.

d. The rapid spinning reserve mode shall provide a full output response time (95% of its final output value) of 100 milliseconds or faster, measured at the EMS level. PREPA shall also have the flexibility of selecting a limited rapid spinning reserve sub-mode from SCADA. In limited rapid spinning reserve sub-mode, the active power output, response time and response slope shall be configurable and programmable from SCADA in accordance with the triggering combinations and options previously discussed.

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e. Capability to ramp down active power output at PREPA's pre-selected and configurable slope (MW/min or % of active power output/min) after system frequency is normalized and triggers pre-selected and configurable frequency window for a certain amount of time. BESS shall ramp down to PREPA's pre-selected and configurable active power output (10 MW, 5 MW, 0 MW, *etc.*) and be able to automatically make the transition and continue operating in frequency control and regulation mode in accordance with previously selected and configurable parameters. The active power automatic ramp down should have the capability of being manually interrupted and ramped down from SCADA.

i. Total configurability of ramp down slope in MW/minute or % of active power output/minute.

ii. Total configurability of active power output target to which BESS shall ramp down before making the transition to operate in frequency control and regulation mode.

iii. Total configurability for PREPA selection of frequency triggers that initiate rapid reserve ramp down process: frequency limits of window range and time delay combinations that initiate ramp down.

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iv. For example, rapid reserve ramp down might be triggered if frequency returns to 60 Hz +/- 0.1 Hz and stays in this range for at least twenty (20) seconds or returns to 60 Hz +/- 0.2 Hz and stays in this range for at least thirty (30) seconds.

f. Capability to ramp down active power output at PREPA's pre-selected and configurable slope (MW/min or % of active power output/min) after SCADA command is received from PREPA's Energy Control Center System Operator to automatically make the transition and continue operating in frequency control and regulation mode in accordance with previously selected and configurable parameters.

i. Total configurability of ramp down slope in MW/minute or % of active power output/minute.

ii. Total configurability of active power output target to which BESS shall ramp down before making the transition to operate in frequency control and regulation mode.

g. Capability to inject nominal active power output for 1.0 hour and simultaneously inject or absorb nominal reactive power at the Interconnection Point.

3. Dispatchable Generation Source

a. Injection of active power at the Interconnection Point for a limited period of time to cover temporary generation deficits or start-up fast generating units.

b. PREPA shall be able to select from SCADA the constant power output mode, active power (P) magnitude and time period.

c. Capability to automatically make the transition from dispatchable mode to frequency control and regulation mode in accordance with previously selected and configurable parameters after SCADA command is received from PREPA's Energy Control Center System Operator.

d. Capability to ramp down active power output at PREPA's pre-selected and configurable slope (MW/min or % of active power output/min) after SCADA command is received from PREPA's Energy Control Center System Operator to automatically make the transition from dispatchable mode to frequency control and regulation mode in accordance with previously selected and configurable parameters.

i. Total configurability of ramp down slope in MW/minute or % of active power output/minute

ii. Total configurability of active power output target to which BESS shall ramp down before making the transition to operate in frequency control and regulation mode

e. Capability to operate in the dispatchable generation source mode and simultaneously control the voltage by the injection or absorption of up to nominal reactive power at the Interconnection Point.

4. Voltage Regulation and Control

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a. Dynamic reactive power compensation source capable of continuously injecting or absorbing reactive power (up to +/- nominal MVAR at Interconnection Point) as a function of system voltage deviations.

b. Voltage regulation strategy based 100% on power electronics technology (no passive components like capacitors or reactors, neither thyristor controlled or switched capacitors or reactors allowed to complement reactive power capability).

c. Constant voltage control is required (voltage set point control mode).

d. PREPA shall be able to adjust from SCADA the voltage regulation set points shall between 95% and 105% rated voltage at the Interconnection Point. Because the previous voltage regulation range could be expanded (for example up to 106%) if PREPA's internal analyses indicate that additional dynamic compensation is required for specific multi-contingency scenarios, the upper voltage set point limits should be totally configurable and adjusted from SCADA beyond the typical voltage regulation range.

e. The voltage regulation shall be based on direct measurement by means of new BESS dedicated potential transformers (that Resource Provider shall install) at the Interconnection Point.

f. The voltage regulation system strategy shall be based on proportional plus integral (PI) control actions with parallel reactive droop compensation. The voltage regulation droop shall be adjustable from 0 to 10% in steps not greater than 0.5%.

g. At zero percent (0%) droop, the voltage regulation system shall achieve a steady-state voltage accuracy of +/- 0.3% of the controlled voltage at the Interconnection Point. For voltage regulation droops between 0 and 2.5%, the voltage regulation system 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, it should be less than 1%.

h. For voltage regulation droops between 2.5% and 5.0%, the voltage regulation system shall be calibrated such that a change in reactive power will achieve 95% of its final value no later than 500 msec 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, it should be less than 1%.

i. For voltage regulation droops between 5% and 10%, the voltage regulation system shall be calibrated such that a change in reactive power will achieve 95% of its final value no later than 100 msec 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, it should be less than 1%.

j. The voltage regulation system dead band shall not exceed 0.1%.

k. The voltage regulation system shall be programmed to control and coordinate with local power transformers tap changers and local reactive power sources physically located in the switchyard.

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5. Fast Dynamic Reactive Power Reserve and Voltage Support

a. Instantaneous or slope controlled (MVAR/sec) injection or absorption of reactive power triggered by and as a function of the rate of change and/or deviations of the system voltage.

b. Injection of reactive power (Q) within the first three (3) cycles of a specific voltage deviation trigger and/or a voltage rate of change trigger. PREPA shall be able to configure and select triggers.

i. PREPA shall be able to configure and select from SCADA the maximum final reactive power output value for fast dynamic reactive power reserve up to the nominal reactive power capacity.

ii. Total configurability for PREPA selection of triggers: voltage magnitude, rate of change of voltage and instantaneous/time delay combinations.

iii. For example, fast dynamic reactive power reserve might be selected to trigger if voltage decays to 0.95pu kV at a rate > 2.0 kV/sec or drops below 0.9pu.

iv. For example, a different value of fast dynamic reactive power reserve might be selected to trigger if voltage decays to 0.95pu at a rate > 1.0 kV/sec or drops below 0.93pu.

c. A full output response time (95% of its final output value) of 100 msecs. or faster is required. The maximum overshoot should not exceed 5% of the ordered change and the settling time should not exceed 150 msec, measured at the EMS level.

i. Capability to inject 120% of nominal reactive power output for three (3) seconds at required 100 msec. response time.

ii. Absorption of reactive power (Q) within the first three (3) cycles of a specific voltage deviation trigger and/or a voltage rate of change. PREPA shall be able to configure and select triggers.

iii. PREPA shall be able to configure and select from SCADA the minimum final reactive power output value for fast dynamic reactive power absorption, up to the nominal reactive power capacity of BESS.

iv. Total configurability for PREPA selection of triggers: voltage magnitude, rate of change of voltage and instantaneous/time delay combinations.

v. For example, fast dynamic reactive power might be selected to trigger if voltage increases to 1.1pu of the nominal voltage at a rate > 3.0 kV/sec or increases above 1.2pu of the nominal voltage.

d. A different fast dynamic reactive power might be selected to trigger if voltage increases to 1.1pu of nominal voltage at a rate > 2.0 kV/sec or increases above 1.15pu of nominal voltage.

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c. Capability to inject nominal fast dynamic reactive power reserve or operate in voltage regulation mode depending on the system voltage conditions, and simultaneously inject nominal active power output for 1.0 hour at the Interconnection Point.

6. Black Start Capability

a. The Facility shall provide for BESS start-up capability and full functionality during system blackouts.

b. The Facility shall provide for BESS start-up capability and full functionality during unavailability of external system generation sources.

7. BESS Full Functional Voltage and Frequency Operational Range and Ride-Through Capability

a. Low Voltage Operation Range:

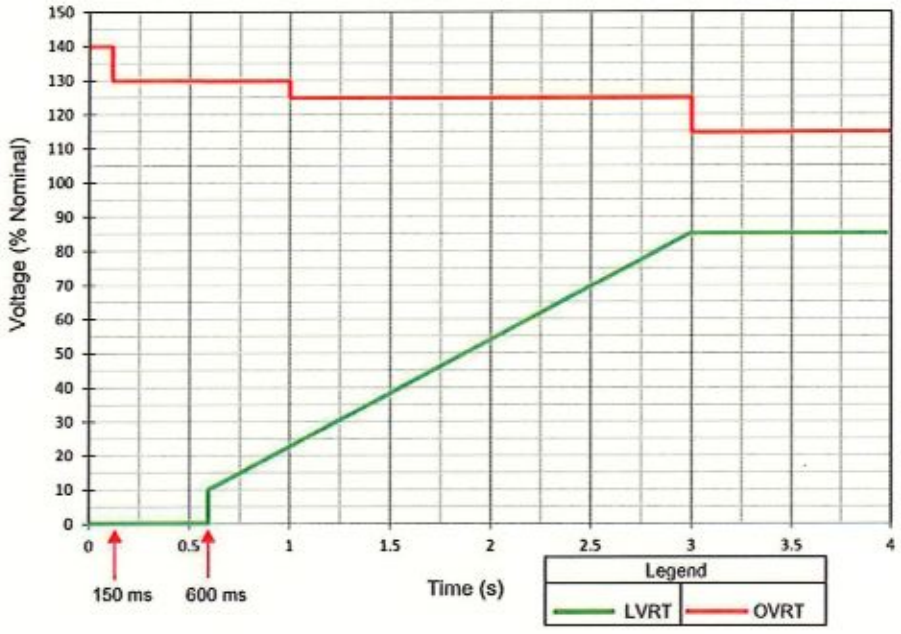

Figure 1 BESS Voltage Operational Range and Ride-Through Requirements

i. From Figure 1 (above), PREPA requires BESS to remain totally functional and online during three (3) phase and single phase faults down to 0.0 per-unit (measured at the Interconnection Point), for up to 600 msec.

ii. BESS shall remain online and continue operating during and after normally cleared faults on the Interconnection Point.

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iii. BESS shall remain online and continue operating during and after backup-cleared faults.

b. High Voltage Operational Range:

i. PREPA requires BESS to remain totally functional and online during symmetrical and asymmetrical overvoltage conditions as specified by the following values (illustrated in Figure 1 above):

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

c. Frequency Ride Through (FRT)

56.0 – 63.0 Hz	No tripping (continuous)
55.5 – 56.0 Hz	20 sec time delay
< 55.5 or > 63.0 Hz	Instantaneous trip

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8. Dynamic System Monitoring Equipment (DSM)

Resource Provider is required to provide, install, commission and maintain a dynamic system monitoring equipment that conforms to PREPA's specifications and signals list.

9. Modeling and Validation

a. Once final adjustments and parameter settings related with commissioning and MTR compliance tests are completed, Resource Provider shall submit a PSS/E Siemens – PTI Certified mathematical model and validation report. When referred to the mathematical model, this shall include but is not limited to inverters, transformers, collector systems, plant controllers, control systems and any other equipment necessary to properly model BESS facility for both steady-state and dynamic simulation modules.

b. Resource Provider shall submit user manuals for both BESS unit and BESS 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. Resource Provider shall use PSS/E standard models. In the case that Resource Provider submits user written models, Resource Provider 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. Resource Provider shall submit to PREPA an official report from Siemens – PTI that validates and certifies the required mathematical models, including subsequent revisions. Resource Provider shall

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submit the official reports and certifications from Siemens – PTI, otherwise the mathematical model shall not be considered valid.

c. Resource Provider shall submit Siemens – PTI certified PSS/E mathematical models of any kind of compensation devices (*i.e.* SVC, STATCOMs, BESS, *etc.*) used on BESS facility. Resource Provider shall use standard models provided with PSS/E. In the case that Resource Provider submits user written models, Resource Provider 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 Resource Provider and PREPA system study groups. Resource Provider shall submit the official reports and certifications from Siemens – PTI, otherwise the mathematical models shall not be considered valid.

d. If Resource Provider provides user written model(s), then 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. Resource Provider shall permit PREPA to make available Facility models to external consultants with a non-disclosure agreement in place.

e. Resource Provider 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. Resource Provider shall submit the official reports and certifications from Siemens – PTI, otherwise the mathematical models shall not be considered valid.

f. Additional details for the adequate PSS/E modeling and the contents of the PSS/E validation report can be found in PREPA's "Guidelines on PSS/E Mathematical Models" document.

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. Short Circuit Ratio (SCR) Requirements

Short Circuit Ratio values (System Short Circuit MVA at POI/BESS Facility MVA Capacity) under 5 shall not be permitted. Resource Provider shall install additional equipment, such as synchronous condensers, and controls as necessary to comply with PREPA's minimum short circuit requirements.

12. General

a. For batteries, replacement of individual cells or cell modules shall not interrupt BESS availability to the grid.

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b. BESS shall have dedicated auxiliary electric power systems to serve BESS ancillary loads (HVAC, lighting, *etc.*) and be able to be auto-transferred to a reliable backup source.

c. BESS shall have a minimum round trip energy efficiency of 85% measured at the Interconnection Point.

d. PREPA shall define the BESS voltage level at the Interconnection Point. The Project shall include appropriate step-up transformers and required interconnection equipment, including any necessary augmentation or modification to existing substation or transmission facilities.

e. BESS control system shall integrate the following operational requirements:

i. BESS controllers shall be compatible with the systems used in PREPA's System Operations Control Center and Energy Management System.

ii. BESS shall be completely dispatchable.

iii. BESS control system shall provide available energy forecasting.

iv. Any operating function shall be capable of being remotely and dynamically selected and prioritized.

v. Function parameters (*i.e.* droop setting) of any operating function shall be capable of being remotely modified.

vi. Resource Provider shall fully describe and demonstrate how the proposed BESS control system(s) will operate.

The control system shall have the necessary hardware and software (*i.e.* firewalls & malware detection) such that it is compliant with the latest NERC CIP reliability standards for control system security requirements.

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APPENDIX L

OPERATING PROCEDURES

GENERAL

1.0 Interaction with the Agreement

These Operating Procedures set out certain guidelines relating to the operation and maintenance of the Facility. As set out in Section 3.9 (*Protocols & Procedures*) of the Agreement, in the event of any conflict between the terms and conditions of these Operating Procedures and the rest of the Agreement, the terms and conditions of the Agreement shall prevail. Resource Provider acknowledges and agrees that its compliance with these Operating Procedures will not in any way relieve Resource Provider from any liability that it has under the Agreement.

T&D Operator shall be deemed to be acting as PREPA's agent in its implementation of the Operating Procedures, and Resource Provider shall have the same rights, privileges and defenses against PREPA regarding T&D Operator's actions as if PREPA had performed the functions assigned to T&D Operator thereunder.

Each Party shall confirm or update the contact information of this Appendix L (*Operating Procedures*) by written notice to the other Party no later than sixty (60) days prior to Initial Synchronization Date.

2.0 Definitions

Capitalized terms used but not defined in this Appendix L (*Operating Procedures*) shall have the same meanings set forth in Section 1.1 (*Definitions*) of the Agreement.

In this Appendix L (*Operating Procedures*):

- "**Actual Discharge Capacity**" means, at any given time, the instantaneous amount of Energy (in MW) made available from the Facility at the Interconnection Point, based on prevailing ambient conditions and Facility availability at such time.
- "**Available Discharge Capacity**" means, at any given time, the potential maximum amount of Energy (in MW) that could be made available from the Facility at the Interconnection Point, based on prevailing ambient conditions and the availability of the Facility at such time.
- "**BESS**" means the battery energy storage system that comprises part of the Facility.
- "**Curtailment Level**" has the meaning set forth in Paragraph 4.9(c) of Procedure V.
- "**Disconnection and Curtailment Event Log**" means a record of any disconnection or connection event, regardless of cause, which is in the form attached in Appendix I.1 of Procedure I.
- "**Dispatch Center**" means each dispatch center operated by PREPA and/or T&D Operator.
- "**DSM**" means dynamic system monitoring equipment installed at the Facility.

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- "**ECC**" means the energy control center operated by T&D Operator.
- "**EMS**" has the meaning set forth in Paragraph 4.2(b) of Procedure I.
- "**ESSA Operational Administrator**" means the representative appointed by T&D Operator to act as the operational administrator for energy storage services.
- "**Facility Status Report**" means the report to be delivered by Resource Provider to the ECC substantially in the form set out in Appendix 1.1 of Procedure I.
- "**MTRs Corrective Action Report**" has the meaning set forth in Paragraph 4.9(f)(f.2) of Procedure V.
- "**MTRs Non-compliance Report**" has the meaning set forth in Paragraph 4.9(f)(f.1) of Procedure V.
- "**RTU**" has the meaning set forth in Paragraph 4.1(a) of Procedure I.
- "**Waiting Period**" means the Force Majeure Waiting Period and/or the Grid System Waiting Period, as applicable.

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PROCEDURE I. DISPATCH OF POWER AND CHARGING

1.0 Objective

This Procedure is intended to facilitate the dispatch of the Facility and coordination between T&D Operator and Resource Provider.

2.0 Scope of Procedure

This Procedure includes guidelines in relation to the following:

- dispatch of the Facility (Discharge Mode);
- charging of the Facility (Charge Mode);
- use of the Facility for storage of Energy (Storage Mode);
- voltage scheduling;
- voltage regulation;
- dispatching and/or curtailment during T&D Operator/Resource Provider declared Emergency conditions; and
- reporting on the status of the Facility.

3.0 Responsibilities

In accordance with Sections 6 (*Operation of the Facility*) and 7 (*Dispatching & Charging Obligations*) of the Agreement, the Parties agree, for the purposes of operations, dispatching, and charging of the Facility, that:

a. Resource Provider's personnel will contact the following T&D Operator ECC personnel:

Company	Title	Name	Phone
T&D Operator	Generation Shift Engineer	On shift	787-521-5064
T&D Operator	Principal Shift Engineer	On shift	787-521-5066

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b. T&D Operator Dispatch Center personnel will contact the following Resource Provider's personnel:

Company	Title	Phone	Cell Phone	E-mail
Resource Provider (primary contact)				
Resource Provider (back-up contact)				

4.0 Procedure

4.1 General

a. Resource Provider will make the following data available to T&D Operator in real time, through the Facility's Remote Terminal Unit ("**RTU**"):

a.1 the Actual Discharge Capacity at the Interconnection Point (MW and MVAR);

a.2 the Available Discharge Capacity at the Interconnection Point (MW);

a.3 the State of Charge of the Facility;

a.4 the Facility disconnect status, and active ramp rates (UP and DOWN) (MW/min);

a.5 the Facility curtailment setpoint and "ENABLE/DISABLE" control point;

a.6 the real time voltage at the Interconnection Point of the Facility (kV);

a.7 the percent voltage regulation system droop setpoint;

a.8 the percent frequency regulation system droop setpoint; and

a.9 any other signals and/or data required by T&D Operator.

b. T&D Operator reserves the right to temporarily disconnect the Facility or curtail the Energy Storage Services if the Facility materially fails to comply with the MTRs. T&D Operator shall have no direct liability to Resource Provider in connection with any such disconnection or curtailment (including any payment liability or liability in respect of waiting time), without, for the avoidance of doubt, limiting the rights of Resource Provider as provided in this Agreement, and PREPA's liability shall be as provided for in this Agreement.

c. Before commencing work activities within the Facility that may create a risk of a Non-Scheduled Outage or Non-Scheduled Derating, Resource Provider shall first coordinate with the ECC and obtain by phone a work order for such activities, provided that Resource Provider

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shall not need to obtain a work order if, due to the nature of an Emergency or risk to personnel or equipment, waiting for a work order is impractical or would increase the risks to personnel or equipment.

d. All communications regarding the status of the Facility between Resource Provider and T&D Operator personnel shall be confirmed by email to the corresponding representatives as soon as possible.

4.2 Dispatch and Charging of the Facility

a. Resource Provider shall operate the Facility to meet the MCC and to comply with Section 7 (*Dispatching & Charging Obligations*) of the Agreement.

b. Resource Provider shall ensure that the Facility control system integrates controllers that are compatible with the systems used in the ECC and T&D Operator's Energy Management System ("**EMS**") to automate the dispatching and charging process based on ECC anticipated operation and the conditions of the Grid System. The ECC shall control dispatch and charging via Automatic Generation Control (AGC) in accordance with each applicable Dispatch Notice or Charge Notice or as per system conditions.

c. Resource Provider shall not release Energy from the Facility over D^{max}. T&D Operator will monitor any violation of such limitation, and if any such violation occurs during normal operating conditions, T&D Operator shall notify Resource Provider of any such dispatch limit violation, and any excess Energy discharged from the Facility shall not be counted for billing purposes in accordance with the Agreement.

d. T&D Operator may require Resource Provider to disconnect the Facility or curtail the amount of Energy being discharged from the Facility to the extent expressly authorized by, and in accordance with, the terms of the Agreement.

e. Other than during the occurrence of any Permitted Outage Hour, Resource Provider shall:

e.1 if the ECC requires power from the Facility while the Facility is operating in Charge Mode, make the Facility available for dispatch, and discharge to T&D Operator in accordance with a Dispatch Notice, a quantity of Discharge Energy (expressed in MWh) that is available at the time of such request and for a duration that is determined based on the State of Charge at the time of such request; and

e.2 while the Facility is operating in Charge Mode, make the Facility available at the Interconnection Point for dispatch by T&D Operator in accordance with requirements specified in the MTRs.

f. While operating in Charge Mode, Discharge Mode, or Storage Mode, the optimal operation of the Facility shall be subject to T&D Operator guidelines and the EMS, taking into consideration the technical characteristics and limitations of the Facility (such as the C^{min}).

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4.3 Voltage Scheduling

The voltage schedule shall be consistent with the Facility design, MTRs and based on the normally expected operating conditions for the Facility and the reactive power requirements of the Grid System. The voltage schedule is effectively +/-5% (0.95 – 1.05 per unit) of the nominal voltage at the Interconnection Point.

4.4 Voltage Regulation

a. The ECC will adjust the voltage regulation setpoint through remote control, provided that T&D Operator shall not require the Facility to operate beyond its required minimum design limits as specified in the MTRs.

b. T&D Operator will notify Resource Provider of the corresponding voltage droop setting of the Facility or any change to it as defined in the MTRs.

c. T&D Operator will monitor the response compliance of the Facility. If any violation of the MTRs occurs, Procedure V (*Monitoring and Enforcement of MTRs)* will apply.

4.5 Dispatch during T&D Operator Declared Emergency Conditions

If T&D Operator declares an Emergency, the ECC may disconnect the Facility or curtail the Energy Storage Services. Without limiting the generality of the foregoing, T&D Operator's control centers may require Resource Provider personnel to increase or decrease the discharge of Energy, to disconnect or delay synchronization of the Facility to maintain safe and reliable load levels and voltages on the Grid System, which shall in all cases be consistent with Prudent Utility Practices. T&D Operator and Resource Provider shall keep detailed records of each curtailment or disconnection event, calculate the corresponding waiting periods and determine if the event duration exceeded any applicable waiting period under the Agreement. Set out in Appendix I.1 of this Procedure are proformas for recording this information. The Parties shall reconcile these records for each event, in accordance with the procedures set forth in Appendix I.1 of this Procedure.

4.6 Facility Status Reporting

a. Resource Provider shall provide daily, before 5:00 am (Puerto Rico time), a Facility Status Report to the ECC in electronic form. The proforma for this status report is included as Appendix I.1 of this Procedure.

b. Resource Provider shall immediately notify the ECC if, after delivery of the Facility Status Report, there is any pertinent change in Resource Provider's Facility status.

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APPENDIX I.1 CURTAILMENT OR DISCONNECTION DURING EMERGENCIES OR FORCE MAJEURE

1.0 Curtailments and Disconnection Events

a. Curtailment (changes of the scheduled dispatch or charging) or disconnections due to Force Majeure or an Emergency, including due to a Grid System Event or Force Majeure:

a.1 If T&D Operator declares an Emergency or an event or circumstance of Force Majeure occurs, T&D Operator may curtail the Energy Storage Services or disconnect the Facility.

a.2 T&D Operator shall provide written notice, as soon as practicable after the occurrence of an Emergency or any other event or circumstance of Force Majeure, with particulars of the event and its estimated duration.

a.3 If T&D Operator has disconnected the Facility due to an Emergency or Force Majeure, the ECC shall notify Resource Provider when the Facility is able to reconnect to the Grid System. Prior to reconnection of the Facility, Resource Provider shall: (i) confirm to T&D Operator that the Facility is able to reconnect to the Grid System (including the date and time the Facility is available to reconnect); and (ii) notify T&D Operator of the availability of the Facility to charge and discharge Energy in compliance with the MTRs.

a.4 Resource Provider shall keep a detailed record of each disconnection or curtailment event caused by an Emergency or Force Majeure and, after the Commercial Operation Date, shall notify T&D Operator if the aggregate duration of these events exceeds any applicable Waiting Period for an Agreement Year, including any applicable Grid System Waiting Period or Force Majeure Waiting Period.

a.5 Included at the end of this Appendix I.1 is the form of Disconnection and Curtailment Event Log that Resource Provider shall complete and submit in accordance with Paragraph 2 of this Appendix I.1 for each disconnection or curtailment event caused by an Emergency or Force Majeure. The Parties shall reconcile these records for each event in accordance with Paragraph 2 of this Appendix I.1.

2.0 Completion Procedure for Disconnection and Curtailment Event Logs

Within forty-eight (48) hours after the conclusion of any event of disconnection or curtailment, Resource Provider shall: (i) complete an entry in the relevant Disconnection and Curtailment Event Log; and (ii) submit the Disconnection and Curtailment Event Log to T&D Operator. The information recorded in the Disconnection and Curtailment and Event Log shall include:

- the incident number and type of incident (i.e., curtailment, disconnection, or both);
- the event start and end dates, duration, and curtailment/disconnection percentage, whether the event start time shall be the time that the Facility de-synchronizes from the Grid System, or curtailment begins, and whether the event end time shall be the time the Facility re-synchronizes with the Grid System, inclusive of the typical time for start-up and synchronization, or when the curtailment ends;
- the cause of the incident;

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- the corrective measures taken by T&D Operator or Resource Provider in response to the incident;
- any additional relevant details regarding the incident;
- the date and time the Facility is available to deliver Discharge Energy and the Available Discharge Capacity of the Facility that can be discharged in compliance with the MTRs; and
- allocation of time towards any applicable Waiting Period for the event under consideration and any time that exceeds the applicable Waiting Periods.

Within forty-eight (48) hours after receipt of the Disconnection and Curtailment Event Log from Resource Provider, T&D Operator shall either acknowledge the Disconnection and Curtailment Event Log by counter-signing the entry and returning it to Resource Provider or shall otherwise raise any issue regarding the Disconnection and Curtailment and Event Log with Resource Provider.

3.0 Completion Procedure

a. Resource Provider shall procure that Resource Provider's shift supervisor shall complete the following sections of the attached proforma to facilitate communications with the T&D Operator Shift Engineers relating to the Facility status:

a.1 date of the report;

a.2 status of the Automatic Voltage Regulator (AVR) for the Facility;

a.3 status of the control system for the Facility (Voltage Regulation & Control, Frequency Response, etc.);

a.4 status of the BESS component of the Facility;

a.5 status of the DSM;

a.6 status of any other equipment deemed necessary based on the specification of the Facility;

a.7 a summary of the operating conditions of the Facility; and

a.8 the causes of any restrictions to active or reactive loading.

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Force Majeure
Curtailment or Disconnection Event Log

Incident No: _____ **___ Curtailment ___ Disconnection**

Event Start Date	Event Start Time	Event End Date	Event End Time	Duration (hh:mm:ss)	Curtailment %

Cause of Incident: _____

_____

Corrective Measures: _____

_____

Additional Details: _____

_____

Facility Capable to Deliver Electrical Power Charge/Discharge from (mm/dd/yy, hh:mm:ss:) _____ **% of Capacity:** _____

Force Majeure Waiting Period[1]	
	Agreement Year to Date
Aggregate Hours under curtailment for Agreement Year	
Time exceeding waiting period for Agreement Year	
Incidents	

Note 1: Totals include all applicable incidents

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Recorded By:
Record Date:

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Grid System Event or Other
Curtailment or Disconnection Event Log

Incident No: _____ ___ **Curtailment** ___ **Disconnection**

Event Start Date	Event Start Time	Event End Date	Event End Time	Duration (hh:mm:ss)	Curtailment %

Cause of Incident: _____

_____

Corrective Measures: _____

_____

Additional Details: _____

_____

Facility Capable to Deliver Electrical Power Charge/Discharge from (mm/dd/yy, hh:mm:ss) _____ **% of Capacity:** _____

Grid System Waiting Period[1]	
	Year to Date
Aggregate Hours under curtailment for Agreement Year	
Time exceeding Grid System Waiting Period for Agreement Year	
Incidents	

Note 1: Include if curtailment or Disconnection is due to a Grid System Event.

Recorded by: _____
Record Date: _____
Confirmed by T&D Operator: _____
Confirmation Date:

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FACILITY STATUS REPORT

Resource Provider Company Name

Date / Time submitted: _____

Submitted by (Resource Provider): _____

Equipment	Status	Value	Comments
Control System			
Voltage Regulator			
Energy Storage System			
Facility Capacity			
Switch Yard			
Protection System			
Meteorological System			
Etc.			

Supervisor in charge: [Name] ***Phone: (xxx) xxx-xxxx***

— End of Procedure I. Dispatch of Power Discharging —

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PROCEDURE II. SCHEDULING OF DISPATCHING AND CHARGING

1.0 Objective

This procedure is intended to facilitate the scheduling of dispatching and charging between T&D Operator and Resource Provider.

2.0 Scope of Procedure

For each Day during the Supply Period, Resource Provider shall provide to T&D Operator daily before 5:00 am, a written, accurate estimate for that Day of the Facility Availability (as defined in Appendix F).

3.0 Responsibilities

In accordance with Section 7 (*Dispatching & Charging Obligations*) of the Agreement, the Parties agree that for the purposes of scheduling the dispatch or charge the Facility:

a. T&D Operator personnel will contact the following Resource Provider personnel and utilize Appendix II.1 to provide the dispatching/charging schedule:

Company	Title	Name	Phone	E-mail
Resource Provider	Operations Manager			
Resource Provider	Plant Manager			

b. Resource Provider personnel will contact the following T&D Operator personnel:

Company	Title	Name	Phone	E-mail
T&D Operator	Director System Operations	Raphael Gignac	787-354-5223	raphael.gignac@lumapr.com
T&D Operator	Manager Energy Management	Salvador Serrano Menendez	787-521-5066	salvador.serrano@lumapr.com
T&D Operator	Director Supply-Side Contracts Administration	Brian Walshe	303-949-4646	brian.walshe@lumapr.com
T&D Operator	Generation Shift Engineer	On shift	787-521-5064	
T&D Operator	Principal Shift Engineer	On shift	787-521-5066	

4.0 Procedure

4.1 Facility Next Month – Hourly Charging and Dispatching Schedule

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Between Days 15 and 20 of each Month, T&D Operator will provide to Resource Provider an estimated hourly schedule for the charging and dispatching of the Facility for the immediately following Month, including an estimate of the total amount of Energy to be dispatched/charged in MWh during that Month. T&D Operator will provide these estimates to Resource Provider for planning purposes only and, during the operation of the Facility, the estimated hourly schedule is subject to automatic and instantaneous change by T&D Operator, including in accordance with the EMS.

4.2 Startup /Shut Down Notifications

During normal electrical system operating conditions, Resource Provider shall use commercially reasonable efforts to provide T&D Operator with twenty-four (24) hours advance notice to either start up or shut down the Facility. These notices must be given orally and confirmed by email.

Consistent with Section 6.4 (*Non-Scheduled Outages & Deratings*) of the Agreement, Resource Provider shall use commercially reasonable efforts to notify T&D Operator of any Non-Scheduled Outage or Non-Scheduled Derating no later than 5:00 pm (Puerto Rico time) on the third (3rd) Business Day prior to the Day that such Non-Scheduled Outage or Non-Scheduled Derating will occur.

In the event of an unexpected Non-Scheduled Outage or Non-Scheduled Derating, Resource Provider shall provide notice to T&D Operator by telephone as soon as reasonably practicable and, in all cases, no more than fifteen (15) minutes following the occurrence of such Non-Scheduled Outage or Non-Scheduled Derating. Resource Provider shall, as soon as reasonably practicable thereafter, provide T&D Operator with a notice that includes:

a. the event or condition causing the Non-Scheduled Outage or Non-Scheduled Derating;

b. the date and time of such event or condition;

c. the expected end date and time of such event or condition;

d. for Non-Scheduled Deratings, the Available Discharge Capacity during such event or condition, and

e. any other information reasonably requested by T&D Operator.

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APPENDIX II.1 DISPATCHING/CHARGING SCHEDULE FILE FORMAT

Dispatching, charging or storage schedules should be provided in ASCII space delimited format as shown in the example below and in a text format. The information shall include hourly discharging. It shall also include the average and peak amount of Energy that is to be discharged at the Interconnection Point.

Example: Assume the net MWh profile changes from 70 MWh to 0 MWh in twenty-four (24) hours. The data for the next twenty-four (24) hours will be generated in a format consistent with the following:

NAM ZZZZZZZZ

SNT YYYYMMDD 010000 0

MWP YYYYMMDD 010000 0 70.000	70.000	70.000
MWP YYYYMMDD 020000 0 60.000	00.000	00.000
MWP YYYYMMDD 030000 0 50.000	00.000	00.000
MWP YYYYMMDD 040000 0 70.000	00.000	00.000
MWP YYYYMMDD 050000 0 60.000	00.000	00.000
MWP YYYYMMDD 060000 0 50.000	00.000	00.000
MWP YYYYMMDD 070000 0 70.000	00.000	00.000
MWP YYYYMMDD 080000 0 60.000	-40.000	-40.000
MWP YYYYMMDD 090000 0 50.000	-50.000	-50.000
MWP YYYYMMDD 100000 0 70.000	-70.000	-70.000
MWP YYYYMMDD 110000 0 60.000	-60.000	-60.000
MWP YYYYMMDD 120000 0 50.000	-50.000	-50.000
MWP YYYYMMDD 130000 0 70.000	-70.000	-70.000
MWP YYYYMMDD 140000 0 60.000	-60.000	-60.000
MWP YYYYMMDD 150000 0 00.000	00.000	00.000
MWP YYYYMMDD 160000 0 00.000	00.000	00.000
MWP YYYYMMDD 170000 0 70.000	70.000	70.000
MWP YYYYMMDD 180000 0 60.000	60.000	60.000
MWP YYYYMMDD 190000 0 50.000	50.000	50.000
MWP YYYYMMDD 200000 0 70.000	70.000	70.000

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MWP YYYYMMDD 210000 0 60.000	60.000	60.000
MWP YYYYMMDD 220000 0 00.000	00.000	00.000
MWP YYYYMMDD 230000 0 00.000	00.000	00.000
MWP YYYYMMDD 240000 0 00.000	00.000	00.000

The first record in the file contains the Facility name. The second record in the file contains the date and time the file was created. The third record contains the hourly amount of Discharge Energy in MWh. The fourth record contains the average megawatt output of Energy from the Facility in MW. The fifth record in the file contains the peak megawatt output of Energy from the Facility in MW. If within the twenty-four (24) hour period there are additional changes to the MWh profile (such as mid-hour curtailments), a record should be written for every inflection point of the MWh curve.

— End of Procedure II. Scheduling of Dispatching and Charging —

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PROCEDURE III. SCHEDULED OUTAGES, NON-SCHEDULED OUTAGES, SCHEDULED DERATINGS AND NON-SCHEDULED DERATINGS

1.0 Objective

This Procedure is intended to facilitate the coordination and management of Scheduled Outages, Non-Scheduled Outages, Scheduled Deratings, and Non-Scheduled Deratings of the Facility between T&D Operator and Resource Provider.

2.0 Scope of Procedure

These Procedures apply in relation to the following notifications:

- Scheduled Outages;
- Non-Scheduled Outages;
- Scheduled Deratings; and
- Non-Scheduled Deratings.

3.0 Responsibilities

In accordance with Section 6 (*Operation of the Facility*) of the Agreement, the Parties agree that for the purposes of Scheduled Outages, Non-Scheduled Outages, Scheduled Deratings and Non-Scheduled Deratings,

a. Resource Provider's personnel will contact the following T&D Operator personnel:

Company	Title	Name	Phone	E-mail
T&D Operator	Manager Energy Management	Salvador Serrano Menendez	787-521-5066	salvador.serrano@lumapr.com
T&D Operator	Director System Operations	Raphael Gignac	787-354-5223	raphael.gignac@lumapr.com
T&D Operator	Director Supply-Side Contracts Administration	Brian Walshe	303-949-4646	brian.walshe@lumapr.com

b. T&D Operator personnel will contact the following Resource Provider's personnel:

Company	Title	Name	Phone	E-mail
Resource Provider	Plant Manager			
Resource Provider	Operations Manager			

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4.0 Procedure

4.1 General

In accordance with Section 6 (*Operation of the Facility*) of the Agreement, if the Facility has a Scheduled Outage, Non-Scheduled Outage, Scheduled Derating or Non-Scheduled Derating and such Outage or Derating occurs or would occur coincident with a T&D Operator declared Emergency, then at T&D Operator's request, Resource Provider shall make commercially reasonable efforts, consistent with Prudent Utility Practices to reschedule (with T&D Operator's approval) the Outage or Derating or, if such event has already commenced, to expedite the completion thereof.

4.2 Scheduled Outages or Scheduled Deratings

a. Resource Provider shall submit to T&D Operator a Scheduled Maintenance Program for each Year in accordance with Section 6.3 (*Scheduled Maintenance*) of the Agreement.

b. Resource Provider shall submit the proposed Scheduled Maintenance Program using the form attached as Appendix III.1 to this Procedure and will include the following information:

b.1 the date and time of commencement of each Scheduled Outage or Scheduled Derating;

b.2 the available capacity of the Facility during the Scheduled Outage or Scheduled Derating (if any), including in respect of a Scheduled Derating, the Energy Storage Services available during such event;

b.3 details of the maintenance activities to be completed during the Scheduled Outage or Scheduled Derating; and

b.4 the expected duration of the Scheduled Outage or Scheduled Derating and approximate time to restore the Facility to full operation.

c. PREPA shall consider and approve the draft Scheduled Maintenance Program in accordance with Section 6.3 (*Scheduled Maintenance*) of the Agreement. The Parties may amend the Scheduled Maintenance Program in accordance with Section 6.3 (*Scheduled Maintenance*) of the Agreement.

d. During any Scheduled Outage or Scheduled Derating:

d.1 If Resource Provider has reason to believe that the duration of the Scheduled Outage or Scheduled Derating will exceed the planned duration, Resource Provider will notify T&D Operator as soon as possible as to the cause of such delays and the additional time required to complete the Scheduled Outage or Scheduled Derating. In such event, Resource Provider will use reasonable efforts to return the Facility to operation in the shortest possible time following the end of the originally Scheduled Outage or Scheduled Derating period.

d.2 Resource Provider may notify T&D Operator if the work related to the Scheduled Outage or the Scheduled Derating requested by Resource Provider is completed before the expiry of the planned duration for such Scheduled Outage or Scheduled Derating. Upon receipt of such notice, T&D Operator will use commercially reasonable efforts to return the Facility to operation in the shortest possible time. For the purposes of

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calculating the Permitted Outage Hours, the Scheduled Outage or Scheduled Derating, as applicable, will continue until the first to occur of: (i) the return by T&D Operator of the Facility to operation; and (ii) the expiry of the planned duration for such Scheduled Outage or Scheduled Derating.

4.3 Non-Scheduled Outages or Non-Scheduled Deratings

a. In accordance with Section 6.4 (*Non-Scheduled Outages & Deratings*) of the Agreement, Resource Provider shall use reasonable efforts to notify and coordinate all Non-Scheduled Outages or Non-Scheduled Deratings with T&D Operator's Operations Subdivision Head at least twenty-four (24) hours in advance of any such Outage or Derating. Such notifications shall be documented using the form attached as Appendix III.2 to this Procedure.

b. Resource Provider shall use reasonable efforts to coordinate Non-Scheduled Outages or Non-Scheduled Deratings to occur during times when the Facility is not projected to be dispatched or charging, during Scheduled Outages or Scheduled Deratings, or such other times as will minimize any adverse effect on the operation of the Grid System.

4.4 Spare Parts

In order to minimize the potential impact of any Non-Scheduled Outage or Non-Scheduled Derating, Resource Provider shall ensure that it maintains at the Site, or has access to in a near proximity to the Site, sufficient spare parts for the Facility in accordance with the manufacturer's recommendation or Prudent Utility Practices.

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APPENDIX III.1 SCHEDULED OUTAGES OR SCHEDULED DERATINGS

a. At the times required in accordance with Section 6.3 (*Scheduled Maintenance*) of the Agreement, Resource Provider shall submit to the ECC (signed and submitted by Resource Provider's plant manager) a proposed Scheduled Maintenance Program setting out:

a.1 for each Scheduled Outage:

a.1.1 the date and time of the commencement of such Scheduled Outage – being the point in time when the Facility is desynchronized and is no longer available for discharging and/or charging;

a.1.2 the expected duration of such Scheduled Outage from the date and time of desynchronization of the Facility to the date and time the Facility is once again available for discharging and/or charging; and

a.1.3 details of the reasons for the Scheduled Outage and a reference to any supplementary information; and

a.2 for each Scheduled Derating:

a.2.1 the date and time of commencement of each Scheduled Derating – being the point in time when the Facility has reduced capacity to provide the Energy Storage Services;

a.2.2 the expected duration of such Scheduled Derating from the date and time when the Facility has reduced capacity to provide the Energy Storage Services until such time as the capacity of the Facility is fully restored; and

a.2.3 details of the reasons for the Scheduled Derating and a reference to any supplementary information.

b. T&D Operator shall procure that the ESSA Operational Administrator acknowledges receipt of the proposed Scheduled Maintenance Program by completing the following and returning it to Resource Provider:

Received by T&D Operator on [date].

This signature only indicates acknowledgement of the receipt of the proforma – it does not indicate acceptance of the proposed schedule for Scheduled Outages or Scheduled Deratings. T&D Operator will indicate its acceptance of all or any of the proposed dates and/or propose alternate dates in writing to Resource Provider in accordance with the Agreement and the procedures set out in Paragraph 4.2 of this Procedure.

c. If there is any delay in the completion of any Scheduled Outage or Scheduled Derating, Resource Provider shall notify T&D Operator of the delay, with such notice to include the following information.

c.1 Revised Scheduled Outage or Scheduled Derating completion date and time

c.2 Reference attached information outlining the cause / causes of the delay.

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Date/Time Submitted _____

Submitted by Resource Provider _____

Received by T&D Operator _____

Date and Time of Reception of Completed Appendix III.1 by T&D Operator	Date and Time of Commencement of Scheduled Outage or Scheduled Derating	Scheduled Outage or Scheduled Derating Details	Expected Duration of Scheduled Outage or Scheduled Derating

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APPENDIX III.2 NON-SCHEDULED OUTAGES OR NON-SCHEDULED DERATINGS

a. Resource Provider shall complete the following sections of the proforma and email it to T&D Operator's Operation Subdivision Head (submitted and signed by Resource Provider's plant manager or operations manager). Resource Provider shall use reasonable efforts to notify T&D Operator of any Non-Scheduled Outages or Non-Scheduled Deratings at least twenty-four (24) hours in advance:

a.1 In respect of a Non-Scheduled Outage:

a.1.1 the date and time of the commencement of the Non-Scheduled Outage, being the point in time when the Facility is desynchronized;

a.1.2 a summary of the cause of the Non-Scheduled Outage; and

a.1.3 the expected duration of the Non-Scheduled Outage in hours from the date and time of desynchronization to the date and time the Facility is once again available for discharging or charging.

a.2 In respect of a Non-Scheduled Derating:

a.2.1 the date and time of the commencement of the Non-Scheduled Derating, being the point in time when the Facility has reduced capacity for discharging and/or charging;

a.2.2 a summary of the cause of the Non-Scheduled Derating; and

a.2.3 the expected duration of the Non-Scheduled Derating in hours from the date and time of the reduction in capacity to the date and time the capacity of the Facility is restored.

a.3 Resource Provider shall revise the date and time notified in accordance with Paragraph a.1.3 or a.2.3 above as circumstances require through regular communication with T&D Operator.

Date/Time Submitted _____

Submitted by Resource Provider _____

Received by T&D Operator _____

Date and Time of Reception of Proforma by T&D Operator	Date and Time of Commencement of Non-Scheduled Outage or Non-Scheduled Derating	Non-Scheduled Outage or Non-Scheduled Derating Details[1]	Expected Duration of Non-Scheduled Outage or Non-Scheduled Derating

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Notes:

1. Provide summary of reason for Non-Scheduled Outage or Non-Scheduled Derating and work to be done to address the cause of the Non-Scheduled Outage or Non-Scheduled Derating.

— End of Procedure III. Scheduled Outages, Non-Scheduled Outages, Scheduled Deratings and Non-Scheduled Deratings —

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PROCEDURE IV. COMMUNICATIONS REGARDING THE GRID SYSTEM

1.0 Objective

This Operating Procedure is intended to facilitate communications between T&D Operator and Resource Provider regarding the Grid System.

2.0 Scope Of Procedure

This Procedure encompasses communications between T&D Operator and Resource Provider relating to the following:

- notifications for start-up and synchronization of the Facility;
- any Grid System Event;
- equipment maintenance and inspection and switching practices at the Interconnection Point;
- at risk situations;
- relay settings;
- certification of tests and inspections on electric and protection equipment; and
- infrared thermography inspections at the Interconnection Point.

3.0 Responsibilities

In accordance with Section 6 (*Operation of the Facility*) of the Agreement, the Parties agree that:

a. for the purpose of communications regarding the interface of the Facility and the Grid System, Resource Provider's personnel shall contact the following T&D Operator personnel:

a.1 for work orders and operations coordination:

Company	Title	Name	Phone	E-mail
T&D Operator	Generation Shift Engineer	On shift	787-521-5064	
T&D Operator	Transmission Operator North	On shift	787-521-5065 (115kv/230kv) or 787-521-5067 (38kv)	
T&D Operator	Transmission Operator South	On shift	787-521-3575 or 787-521-8714	

a.2 for outages or clearances relating to the Grid System:

Company	Title	Name	Phone	E-mail
T&D Operator	Supervisor Outage Planning	Gisell D. Acevedo	787-521-5628	giselld.acevedo@lumapr.com
T&D Operator	Director Supply-Side Contracts Administration	Brian Walshe	303-949-4646	brian.walshe@lumapr.com

a.3 for relay settings

Company	Title	Name	Phone	E-mail
T&D Operator	Protection Subdivision Head	[To be provided]		

b. for the purpose of communications regarding the Grid System, T&D Operator personnel will contact the following Resource Provider's personnel:

Company	Title	Name	Phone	E-mail
Resource Provider	Shift Supervisor			
Resource Provider	Plant Manager			
Resource Provider	Operation Manager			

4.0 Procedure

4.1 T&D Operator Notifications Required for Facility Start-up and Synchronization

a. Resource Provider's shift supervisor shall notify the ECC Shift Engineers when it will be in a position to synchronize the Facility.

b. T&D Operator will confirm to Resource Provider, with an order number, when the synchronization is to be completed.

c. The Parties will follow this procedure each time the Facility is disconnected.

4.2 Transmission System Outages

T&D Operator shall procure that the ESSA Operational Administrator immediately notifies Resource Provider of any planned Grid System outages that could directly affect the discharge or charging of Energy to or from the Facility, and, if applicable, how much Resource Provider's dispatching or charging activities should be limited, which shall in all cases be in accordance with Sections 6 (*Operation of the Facility*) and 7 (*Dispatching & Charging Obligations*) of the Agreement.

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4.3 Emergency Situations requiring a Reduction in Dispatching/Charing

a. T&D Operator Shift Engineers may take control of the Facility, or shall notify as soon as possible Resource Provider's shift supervisor of any potential line overloads or Emergencies that require a curtailment or disconnection of the Facility, and by how much dispatching or charging of the Facility should be reduced, which shall in all cases be in accordance with Sections 6 (*Operation of the Facility*) and 7 (*Dispatching & Charging Obligations*) of the Agreement.

b. Resource Provider's personnel shall, as soon as possible, notify T&D Operator Shift Engineers of any Emergency situations at the Resource Provider site which may have a direct impact upon the dispatching or charging of the Facility. Resource Provider shall use all reasonable efforts to minimize the impact of any Emergency situation on the dispatching or charging of the Facility.

4.4 Equipment Maintenance and Inspection and Switching Practices at the Resource Provider Interconnection Facilities

Resource Provider shall not undertake any maintenance activity on any equipment located within the Resource Provider Interconnection Facilities which directly interface with the Grid System without first: (i) confirming with T&D Operator the required steps for the proposed switching activity; and (ii) obtaining an order from T&D Operator's ESO Coordination and Control Supervisor permitting each switching action to be executed at the Resource Provider Interconnection Facilities.

4.5 At-Risk Situations

Resource Provider shall coordinate and obtain a work order from T&D Operator Shift Engineers before commencing any work that interfaces with or affects the Interconnection Facilities.

4.6 Relay Settings

Resource Provider shall not change the relay settings of its protection systems that may have an impact on the Grid System without first coordinating with T&D Operator and obtaining a prior written authorization from T&D Operator's Protection Subdivision Head. T&D Operator shall procure that T&D Operator's Protection Subdivision Head shall provide such written authorization in a reasonable time upon receipt of a request from Resource Provider, provided that Resource Provider has submitted all the required documentation in a timely manner. Resource Provider shall bear all reasonable costs and expenses incurred by T&D Operator in relation to any change to the relay settings requested by Resource Provider, including the cost of any modifications to the Grid System involving replacement relays or upgrades.

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APPENDIX IV.1 RESOURCE PROVIDER'S SWITCHYARD EQUIPMENT LINE DIAGRAM

(Attach recent revision of switchyard equipment one line diagram)

— End of Procedure IV. Communications Regarding the Grid System —

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PROCEDURE V. MONITORING AND ENFORCEMENT OF MTRS

1.0 Objective

The following Procedure is intended to facilitate the communications between T&D Operator and Resource Provider in relation to the management of the MTRs.

2.0 Scope of Procedure

The scope of the Procedure describes the following.

- information requirements;
- monitoring and non-compliance management relating to the MTRs; and
- penalties calculation and application relating to the MTRs.

3.0 Responsibilities

3.1 Management of the MTRs: Resource Provider Contact

In relation to the management of the MTRs, the Resource Provider personnel will contact the following T&D Operator personnel:

Company	Title	Name	Phone	E-mail
T&D Operator	Director Supply-Side Contracts Administration	Brian Walshe	303-949-4646	brian.walshe@lumapr.com
T&D Operator	Manager Energy Management	Salvador Serrano Menendez	787-521-5066	salvador.serrano@lumapr.com

3.2 Management of the MTRs: T&D Operator Contact

In relation to the management of the MTRs, T&D Operator personnel will contact the following Resource Provider personnel:

Company	Title	Name	Phone	E-mail
Resource Provider	Plant Manager			
Resource Provider	Operation Manager			

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4.0 Procedure

4.1 Frequency Control and Regulation Requirement

4.1.1 The following frequency response and regulation requirements and protocols apply to the Facility:

Resource Provider shall be responsible to ensure that the Facility is designed, constructed, operated and maintained so that it is capable of complying with the following requirements relating to frequency response and regulation:

a. The Facility shall comply with the frequency response (FR) in accordance with the MTRs. The batteries and auxiliary systems shall be designed such that the frequency response function shall not be limited by the charging and discharging process

b. The Facility shall be able to simultaneously comply with both the frequency response and ramp up/down pre-selected configuration while the Facility is discharging or charging power to/from the grid.

c. The Facility will be utilized to support the system during downward and upward frequency events. The Facility will be used on a continuous basis for regulation against frequency deviations. The regulation function shall be active as long as there is Energy available. During periods of time where the amount of Stored Energy at the Facility is equal to the Maximum Stored Energy, such that the Facility cannot absorb more Energy, the Facility will be utilized to support the system during the upward frequency events.

d. The frequency response function shall be active at all times the Facility is discharging/charging energy considering the minimum charge value of the Facility, and the Facility shall respond to frequency deviations (movement) via frequency regulation as long as the frequency is beyond the deadband defined by T&D Operator and in accordance with the MTRs.

e. The Facility will provide measurement information as described in Paragraph 4.1.2 of this Procedure, including through the RTU, remaining equivalent energy of frequency function, and the State of Charge. The Energy charging process shall not affect the ramp rate limit requirement (configured by T&D Operator) or the frequency regulation of the grid and shall not create charging cycles oscillations.

4.1.2 The following frequency regulation and ramp rate configuration related measurement requirements apply to the Facility:

Resource Provider shall ensure that the Facility is capable of providing the following frequency regulation and ramp rate configuration related measurement signals to T&D Operator:

a. AC power output of the Facility at the Interconnection Point;

b. AC power output of the Facility at the Facility collector substation;

c. total AC power output of the BESS's inverters;

d. the Facility's frequency response storage MW participation;

e. the State of Charge management MW participation;

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f. the frequency used for frequency response calculation;

g. the State of Charge of the Facility;

h. the BESS's enable status;

i. the BESS's limited status;

j. the State of Charge in the Facility for frequency regulation; and

k. any additional signal that may be requested by T&D Operator.

Resource Provider must ensure that these signals are provided by the Facility to T&D Operator's SCADA system with a sampling rate higher than two (2) seconds and so that such signals can be stored by T&D Operator's SCADA system, with a standard sampling rate of two (2) seconds. These signals shall also be available to the DSMs (please refer to the DSMs signal list) and will be used in the following sections to monitor the frequency response and ramp rate limit (configured by T&D Operator) requirements. More signals could be required depending in the specific Facility design, and the final electrical one line diagram of the Facility shall be provided as soon as it is available. For clarification, for purposes of compliance and monitoring of the technical requirements of the Facility (including relating to dispatching and charging of the Facility), all physical measurements will be made at the Facility and/or the Interconnection Point as necessary, which will be provided by measurement equipment.

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4.1.3 Rapid Spinning Reserve and Fast Frequency Response:

T&D Operator shall monitor the rapid spinning reserve using data obtained from the DSM and SCADA. T&D Operator shall evaluate parameters, including accuracy, response time, overshoot, and active power contribution, based on parameters configurated by T&D Operator according to T&D Operator MTRs. If the Facility is in violation of the MTRs, the MTRs non-compliance management procedure will apply (see Paragraph 4.9 of this Procedure). In addition to regular monitoring, T&D Operator may require the Resource Provider to conduct periodic tests to demonstrate the Facility's compliance with specific voltage regulation system requirements.

4.2 Frequency Response/Regulation Requirement Compliance Monitoring

Frequency response will be monitored on a daily basis, by the following procedure:

a. The required response of the Facility to frequency deviations will be computed based on *the frequency bias formula, with a 5% droop characteristic or other specified droop characteristic between 1% and 5% in accordance with the MTRs:*

$$f_b = NCF / (Droop\% * f_{nom}) \; MW/Hz$$

Where:

f_b = Frequency bias in MW/Hz

NCF = D^{max} of the Facility in MW

$Droop\%$ = 5% in pu or other specified droop between 1% and 5%

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f_{nom} = System nominal frequency = 60Hz

For example, for a Facility with a D^{max} of 20 MW:

$f_b = 20 / (.05*60) = 6.667$ MW/Hz

b. The frequency response of the Facility shall always be in opposition to the direction of the system frequency deviation.

f dev = absolute value (fsys – 60) in Hz

fsys = Actual system frequency in Hz

f dev = Frequency deviation from the nominal system frequency in Hz

c. The frequency bias will be applied to (multiplied by) the frequency deviation beyond the dead band. This result (FRF) establishes the increase or decrease in active power required from the Facility and measured at the Interconnection Point in response to the system frequency deviation.

FRF = (fb) (fdev – dband)

FRF = Frequency response of the Facility in MW (increase or decrease in active power required in response to the system frequency deviation)

fdev = Frequency deviation from the system nominal frequency (in Hz) or the absolute value of the difference between the actual system frequency and 60 Hz

dband = Dead band in Hz

fb = Frequency bias in MW/Hz

d. For example, for a dead band of 0.01Hz and an increase in frequency deviation of 0.11Hz, the power output of a Facility with 20 MW D^{max} measured at the Interconnection Point is required to decrease by 0.667MW. On the other hand, if the frequency decreases with a frequency deviation of 0.31Hz, a 2 MW increase in active power output measured at the Interconnection Point is required.

The following chart illustrates graphically a representative performance of a Facility in the context of the frequency response and regulation requirement. The dotted graph represents the system frequency and the solid one represents the Facility's active power output as measured at the Interconnection Point in response to the corresponding system frequency deviations:

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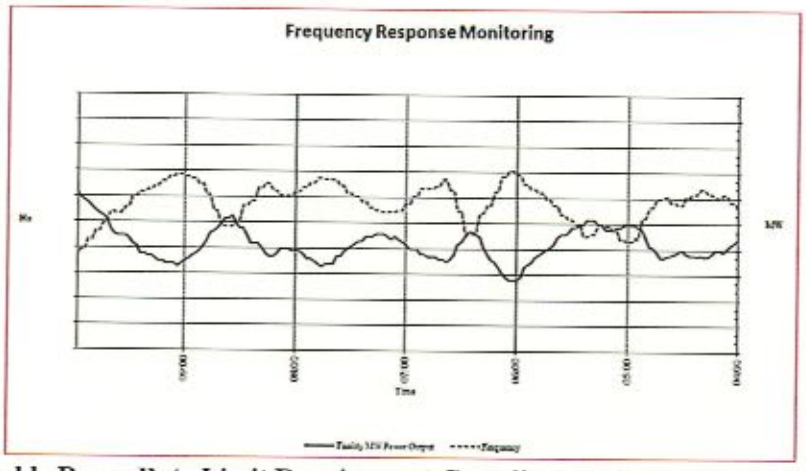

4.3 Configurable Ramp Rate Limit Requirement Compliance and Compliance Monitoring

T&D Operator will apply the following exceptions to the ramp rate limit:

a. the rates of change in active power, as measured at the Interconnection Point, caused by the need to meet frequency response requirements will not be considered as non-compliance with the ramp rate limit; and

b. the ramp rate limit will be monitored on a daily basis, independently of the frequency response, and any marginal non-compliance will be disregarded, in accordance with the following procedure:

The ramp in MW per scan of the Facility is defined as:

$$P_{sf} = P_s - P_f$$

$$R_s = |P_{sf} - P_{sf\text{-}1}|$$

Where:

Psf = present MW power output of the Facility measured at the Interconnection Point with the frequency response MW participation removed;

Ps = present MW power output of the Facility measured at the Interconnection Point;

Pf = frequency response MW participation;

Rs = absolute value of ramp in MW per scan; and

Psf-1 = MW power output of the Facility measured at the Interconnection Point, with the frequency response storage MW participation removed, one (1) scan before, which is two (2) seconds previous Psf.

The ramp rate for each scan will be calculated accordingly to the following formula, and expressed as a percentage of the D^{max} per minute (30 scans):

$$RR = \frac{Rs\ x\ 30}{P_F} x\ 100$$

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Where:

RR= Ramp rate in % of D^{max} per minute

Rs = Ramp in MW per Scan

PF= D^{max} in MWAC

If the required ramp rate is ten percent (10%) (as an example), T&D Operator will apply an additional ten percent (10%) tolerance to exclude scans which are marginally in non-compliance.

If the Facility is non-compliant with the MTRs, the MTRs non-compliance management procedure (Paragraph 4.9 of this Procedure) will apply. T&D Operator will base the proposed curtailment in accordance with Paragraph 4.9 of this Procedure on the maximum insufficiency or worst scan during the non-compliance event period.

4.4 Voltage Ride Through (VRT) Requirement Compliance Monitoring

T&D Operator will monitor Voltage Ride Through (VRT) using parameters data obtained from the DSM and SCADA. After system events or disturbances such as voltage events or faults, T&D Operator will evaluate the performance of the Facility according to the MTRs. T&D Operator will use system and Facility parameters data from the DSM and SCADA for the compliance evaluation. If T&D Operator determines that the Facility is non-compliant, the MTRs non-compliance management procedures set out in Paragraph 4.9 of this Procedure will apply.

4.5 Voltage Regulation/Control and Fast Dynamic Reactive Power Reserve Requirement Compliance Monitoring

T&D Operator will monitor the Voltage Regulation System and Fast Dynamic Reactive Power Reserve using parameters data obtained from the DSM and SCADA. T&D Operator will evaluate parameters as voltage regulation accuracy, VRS response time, overshoot, and reactive power contribution based on voltage set point and voltage droop according to the MTRs. If T&D Operator determines that the Facility is in violation of the MTRs, the MTRs non-compliance management procedures set out in Paragraph 4.9 of this Procedure will apply. In addition to regular monitoring, T&D Operator may require Resource Provider to perform periodic tests to evaluate compliance with specific voltage regulation system requirements.

4.6 Reactive Power Capability and Minimum Power Factor Requirement Compliance Monitoring

T&D Operator will monitor the reactive power capability and minimum power factor requirement of the Facility using parameters data obtained from the DSM and SCADA. Resource Provider shall ensure that the reactive power capability of the Facility complies with the MTRs. If T&D Operator determines that the Facility is in violation of the MTRs, the MTRs non-compliance management procedures set out in Paragraph 4.9 of this Procedure will apply. In addition to regular monitoring, T&D Operator may require Resource Provider to perform periodic tests to evaluate compliance with the reactive power capability and minimum power factor requirement of the Facility.

4.7 Frequency Ride Through (FRT) Requirement Compliance Monitoring

T&D Operator will monitor frequency ride through (FRT) using parameters data obtained from the DSM and SCADA. T&D Operator will evaluate after system events or disturbances such as frequency events or faults according to the MTRs. If the Facility is in violation of the MTRs, the MTRs non-compliance management procedure set out in Paragraph 4.9 of this Procedure will apply.

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4.8 Black Start Capability

T&D Operator will monitor and test the Black Start Capability of the Facility. T&D Operator will evaluate the performance of the Facility according to the MTRs. If T&D Operator determines that the Facility is in violation of the MTRs, the MTRs non-compliance management procedure set out in Paragraph 4.9 of this Procedure will apply.

4.9 MTRs Non-Compliance Management Procedure

a. In accordance with the Agreement, T&D Operator shall have no liability in connection with any disconnection or curtailment of the Facility by T&D Operator resulting from any non-compliance of the Facility with the MTRs (including any payment liability or liability in respect of waiting time).

b. T&D Operator will monitor the performance of the Facility to verify its compliance with the MTRs, in accordance with Paragraphs 4.1 to 4.8 of this Procedure.

c. If T&D Operator determines that the Facility is non-compliant with the MTRs, T&D Operator may curtail the Facility in such a scope and for such a duration as is consistent with Prudent Utility Practices (the "**Curtailment Level**").

d. For MTRs non-compliance events that do not depend on the Facility's power output and for which curtailment is not an effective remedy (such as, but not limited to, frequency response, voltage regulation, frequency ride through, voltage ride through or upward ramps, black start capability, rapid spinning reserve), T&D Operator may disconnect the Facility or curtail the Facility's active power output to zero (0) MW, in such a scope and for such a duration as is consistent with Prudent Utility Practices.

e. Scheduled Deratings and Non-Scheduled Deratings may affect how the Facility responds to the requirements specified in the MTRs. If a Scheduled Derating or a Non-Scheduled Derating may affect compliance with the MTRs, Resource Provider shall ensure that the auto-curtailment implementation of the Facility shall respond to this situation and Resource Provider will indicate the level of curtailment, if any, expected to keep the Facility in full compliance with the MTRs during the Scheduled Derating or the Non-Scheduled Derating in the proforma submitted as a part of the proposed Scheduled Maintenance Program (Procedure III, Appendix III.1) and the proforma submitted as a part of the notice of Non-Scheduled Derating. The curtailed level of capacity will replace the MCC for purposes of compliance monitoring calculations of this Procedure for the duration of the capacity limitation.

f. The following procedure will apply for capacity non-compliance events:

f.1 T&D Operator will provide to Resource Provider a written notification, via email, of the MTRs non-compliance event or events, including the corresponding events data and/or graphs, curtailment level, and non-compliance operational and/or test conditions as follows:

If the MTRs non-compliance event or events are severe, which means an event where the curtailment level is greater than ten percent (10%) of D^{max}, or events where curtailment level is less than or equal to ten percent (10%) of D^{max} but occur daily for two (2) consecutive days, then T&D Operator may apply a curtailment or disconnect the Facility prior to the written notification, and T&D Operator will provide the verbal notification as soon as practical.

Resource Provider will have forty-eighty (48) hours from receipt of T&D Operator's written notification to review the notification and provide a written report to T&D Operator via email that shall include the causes of the Facility non-compliance, proposed corrective actions, and approximate time it will take to bring the Facility back to a compliant state and submit the "**MTRs Non-compliance Report**". Should Resource Provider reasonably require additional time to prepare the MTRs Non-compliance Report, then Resource Provider shall notify T&D Operator within the initial forty-eighty (48) hours of the need for an extension and T&D Operator may provide an extension of up to ninety-six (96) additional hours to provide the written report. The Parties acknowledge that for MTRs non-compliance events (as described above) T&D Operator may apply a curtailment or disconnect the Facility prior to T&D Operator's written notice or Resource Provider's preparation of the MTRs Non-compliance Report.

f.2 If corrective actions are required, Resource Provider will perform the corrective actions, and when completed will provide to T&D Operator a written report "**MTRs Corrective Action Report**" indicating the corrective actions taken, including documentation reasonably required to demonstrate the corrective actions were completed. If no corrective actions are required, for example, due to an incorrect MTRs compliance calculation, Resource Provider will indicate as such in the MTRs Non-compliance Report including documentation reasonably required to support this position. If any curtailment or disconnection had been previously applied for the non-compliance event, T&D Operator shall fully lift the curtailment or disconnection as soon as practical, but in the case that no corrective action is required, in no event more than one hundred and twenty (120) hours from the receipt of the MTRs Corrective Action Report or the MTRs Non-compliance Report.

f.3 If corrective actions are taken, T&D Operator will monitor the Facility for a test period that shall be sufficient to allow the Facility to be exposed to the non-compliance test conditions after the corrective actions are completed. The test period will begin after T&D Operator receipt and evaluation of the MTRs Corrective Action Report and will end after the Facility is exposed to the non-compliance test conditions.

f.3.1 If the Facility fails to comply with the previously failed MTRs under the non-compliance test conditions, the Facility will be curtailed to the Curtailment Level or disconnected. Resource Provider shall provide to T&D Operator a further MTRs Non –compliance Report and procedures 4.9(f.2) through 4.9(f.3) shall be repeated.

f.3.2 If the Facility complies with the previously failed MTRs under the non-compliance test conditions, regular monitoring shall resume.

If, after additional corrective measures are taken, the Facility fails to comply with the previously failed MTRs under the non-compliance test conditions one (1) additional time consecutively (for a total of two (2) consecutive failures),

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PREPA may file written notice of default pursuant to Section 16.1(f) (*Definition*) of the Agreement after the third (3rd) failure.

— End of Procedure V. Monitoring and Enforcement of MTRs —

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PROCEDURE VI. EMERGENCY COMMUNICATIONS

1.0 Objective

The following Procedure is intended to facilitate the communications between T&D Operator and Resource Provider during Emergency situations.

2.0 Scope of Procedure

The scope of the Procedure describes the following.

- a T&D Operator declared Emergency;
- a Resource Provider declared Emergency;
- guidelines for recovery from a widespread electrical blackout;
- loss of primary and secondary pilot protection at the Interconnection Facilities; and
- disturbance analysis reporting.

3.0 Responsibilities

In accordance with Sections 6 (*Operation of the Facility*) and 7 (*Dispatching & Charging Obligations*) of the Agreement, the Parties agree, for the purposes of emergency communications, that:

a. Resource Provider's personnel will contact the following ECC personnel:

Company	Title	Name	Phone	E-mail
T&D Operator	Principal Shift Engineer	On shift	787-521-5066	
T&D Operator	Generation Shift Engineer	On shift	787-521-5064	

b. T&D Operator Dispatch Center will contact the following Resource Provider's personnel

Company	Title	Name	Phone	E-mail
Resource Provider (primary contact	Plant Manager			
Resource Provider (secondary contact	Operation Manager			

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4.0 Procedure

4.1 T&D Operator Declared Emergency

a. Consistent with Section 6.5 (*Emergencies*) of the Agreement, if an Emergency is declared by T&D Operator, T&D Operator's Shift Engineers will take exclusive control of dispatching or charging the Facility for the duration of such Emergency and then shall notify Resource Provider's personnel. Without limiting the generality of the foregoing, T&D Operator's control centers may require Resource Provider's personnel to delay synchronization or raise or lower dispatch of electricity from the Facility to maintain safe and reliable load levels and voltages on the Grid System, which shall in all cases be in accordance with the Facility design, relevant Facility permits and Prudent Utility Practices.

b. T&D Operator will maintain the record for such an Emergency.

c. T&D Operator shall, as soon as practicable after the occurrence of the Emergency, submit to Resource Provider a report describing the causes for such action.

4.2 Resource Provider Declared Emergency

If, for the safeguarding of equipment, plant and/or personnel Resource Provider needs to take equipment and/or plant out of service immediately resulting in a reduction in the discharging or charging of the Facility or an Outage, Resource Provider shall notify the T&D Operator Shift Engineers as soon as possible (prior to the event if possible). Resource Provider shall use best efforts to maintain the net electrical output or charging capabilities of the Facility during such situations but in all cases shall keep T&D Operator informed as to the status of the Emergency. Resource Provider shall, as soon as practicable after the occurrence of the Emergency, submit to T&D Operator a report for the causes for such action.

4.3 Procedures for Recovery from a Local or Widespread Electrical Blackout

a. After a system blackout, which results in a disconnection of the Facility, T&D Operator shall inform Resource Provider with a work order when it can synchronize back to the Grid System, in the manner described in Procedure I.

b. After a system disturbance, resulting in a temporary outage at the Interconnection Point, T&D Operator shall inform Resource Provider with a work order when it can synchronize back to the Grid System, in the manner described in Procedure I.

4.4 Procedure for Recovery from Force Majeure

a. After an event or circumstance of Force Majeure, which results in a shutdown or disconnection of the Facility, T&D Operator may request Resource Provider to provide a technical assessment of the condition of the Facility to interconnect with the Grid System. Resource Provider must include in this technical assessment the findings of the visual inspections, damages, and their respective corrective actions, as well as the electrical testing of the Facility and its equipment as recommended by the manufacturers if requested by T&D Operator. Resource Provider shall submit all this information to T&D Operator for T&D Operator's

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evaluation prior to any interconnection authorization of the Facility or notification of availability of the Facility to resuming discharging or charging activities.

b. As soon as practicable after receipt of the information provided by Resource Provider, T&D Operator will authorize the interconnection of the Facility, provided that it is reasonable and safe to do so in accordance with Prudent Utility Practices.

4.5 Interconnection Facilities Loss of Primary and Secondary Protection

Whenever Resource Provider or T&D Operator determines that both primary and secondary pilot protections between the Facility and the Interconnection Point are not operating, the Facility may be disconnected. Resource Provider and T&D Operator shall coordinate promptly and prudently to restore primary and secondary pilot protections in accordance with Prudent Utility Practices. When at least one (1) of either primary or secondary pilot protection has been restored, the Facility will be reconnected in the manner described in Procedure I. Resource Provider is responsible for both, primary and secondary pilot protections, therefore T&D Operator shall not have any liability for this disconnection of the Facility.

4.6 Disturbance Analysis Reporting

a. When an internal incident occurs inside the Facility, including its connection appurtenances, which results in any consequence or disturbance to the Grid System, Resource Provider will provide T&D Operator with verbal details, via phone, of the cause of the event determined from the relay panel (if applicable) within approximately two (2) hours of the start of the event. A disturbance analysis report shall be submitted, via email, by Resource Provider to T&D Operator within twenty-four (24) hours of the aforesaid incident, and if applicable, the report shall include a copy of the sequence of events report downloaded from the relays. Resource Provider shall submit the report using the form set out in Appendix VI.1 of this Procedure. During the next forty-eight (48) hours after the incident occurs, Resource Provider shall make all reasonable efforts to submit a final report including all details of such mentioned incident in a written letter to the T&D Operator Head of the Electric System Operation Division.

b. If the internal disturbance at the Facility results in a discharging loss deviating the grid system frequency by 0.3Hz or more, the requested report shall include the magnitude of the lost discharging, the mechanical or electronical consequences of the abnormal situation, the general findings and the corrective measures taken arising from the incident.

c. If the disturbance results in a forced disconnection of the Facility by T&D Operator from the Grid System, or an accident or any undesired or unexpected result is reflected in the Grid System, Resource Provider's personnel shall analyze the event and submit to T&D Operator a report in respect of such disturbance. The report shall include, but not be limited to, the sequence of the detected events, the interconnection devices operated, all the protections activated (correctly or not) and the consequences arising from the incident.

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APPENDIX VI.1 DISTURBANCE ANALYSIS REPORT

The disturbance analysis report shall be used as the basis for reporting disturbances to the Grid System caused by an incident internal to Resource Provider's Facility, as outlined in Paragraph 4.6 of this Procedure.

Resource Provider will obtain and retain any additional data required to support the analysis of the system disturbance by Resource Provider for possible future discussions with T&D Operator.

Incident Reference Number _____

Date of Incident _____

Time of Incident _____

Plant Involved in Incident _____

Pre-Incident Details

System Frequency	System Voltage	Plant Load

Post-Incident Details

System Frequency	System Voltage	Plant Load

Details of Incident _____

_____

Relays Operated _____

_____

Alarms Initiated _____

_____

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APPENDIX VI.1 DISTURBANCE ANALYSIS REPORT

Cause of Incident _____

Consequences _____

Corrective Measures _____

Report Submitted By _____

Report Submitted Date: _____ **Time** _____

_____

Additional information to be attached to report as necessary.

— End of Procedure VI. Emergency Communications —

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PROCEDURE VII. GENERAL COMMUNICATIONS

Date: MM/DD/YYYY
Rev: X

1.0 Objective

This procedure is intended to facilitate the communications between T&D Operator and Resource Provider pursuant to Section 20 (*Notices*) of the Agreement.

2.0 Method of Day-to-Day Communications

2.1 Written Communications

All written correspondence shall be sent by email or mail depending upon the urgency of the communication.

2.2 Oral Communications

Day-to-day communications will be mainly done by the use of land line phone or cell phone.

2.3 Meetings

Either party can request a meeting at any time considered necessary, to discuss any topic related, among others, to Resource Provider's operations, the Grid System, and accounting issues. Meeting dates, times, and places will be arranged by both Parties. The Party requesting the meeting should provide in advance an agenda of the proposed meeting, responsible for preparing and distributing the meeting notes, and keeping track of any action/open items resulting from the meeting.

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— End of Procedure VII. General Communications —

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APPENDIX M

TESTING PROTOCOL

I. GENERAL

This Testing Protocol sets out:

a. the testing requirements and acceptance criteria for carrying out the Performance Tests for the Facility;
b. the requirements for annual and return to service tests for the Facility; and
c. the requirements for factory acceptance tests.

Resource Provider shall (i) perform all tests in accordance with this Testing Protocol, utilizing plant personnel qualified to perform the required testing, (ii) review the results of the tests to confirm whether the Resource Provider Interconnection Facilities or remainder of the Facility, as applicable, pass(es) the applicable test, and (iii) provide the results to T&D Operator for review and acceptance.

Resource Provider shall ensure that all tests are performed in a grid-tied configuration and that the equipment configuration during testing is managed in the same way as is expected during commercial operations. Resource Provider shall monitor the Facility using internal instrument transformers, external instrument transformers, and metering functionalities to monitor and record voltages, currents, power disturbances, etc.

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In the event of any conflict between the terms and conditions of this Testing Protocol and the Agreement, the terms and conditions of the Agreement shall prevail. Resource Provider acknowledges and agrees that (i) its compliance with this Testing Protocol does not relieve Resource Provider from any liability that it has under the Agreement, and (ii) PREPA shall not be liable to Resource Provider or any other Person by reason of its review or approval of this Testing Protocol and/or the Testing Plan (as defined in Paragraph 1.2 of this Testing Protocol).

II. PERFORMANCE TESTS

1.0 Objective and procedures

1.1 Objective

The objective of the Performance Tests is to verify that (i) the Facility can accept Charge Energy and deliver Discharge Energy and Ancillary Services at the Interconnection Point in accordance with the Operating Characteristics, (ii) the Facility meets the Performance Guarantees, and (iii) the Facility complies with each of the Other Minimum Acceptance Criteria.

1.2 Procedures

Resource Provider shall prepare and provide to T&D Operator a draft testing plan for the Performance Tests, including detailed test procedures and the methodology to meet the required testing, for T&D Operator's review no later than one hundred and eighty (180) Days prior to the Initial Synchronization Date. T&D Operator and Resource Provider shall mutually agree to any adjustments or additions to the draft testing plan for the Performance Tests taking into consideration Prudent Utility Practices and any applicable manufacturer's recommendations, and shall otherwise cooperate to finalize the testing plan for

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the Performance Tests within ninety (90) Days after T&D Operator receives the draft performance testing plan from Resource Provider (such finalized testing plan being the "**Testing Plan**").

T&D Operator's approval of the Testing Plan shall not make T&D Operator responsible in any way for any damage to the Facility resulting from the performance by Resource Provider of any Performance Tests in accordance with the Testing Plan.

1.3 Timing for conduct of Performance Tests

1.3.1 Prior to the Commercial Operation Date

Resource Provider shall schedule and complete all required Performance Tests for the Facility. Resource Provider shall use commercially reasonable efforts to undertake such activities in sufficient time to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date and T&D Operator will reasonably cooperate with Resource Provider to meet such deadline.

Resource Provider shall provide T&D Operator reasonable prior notice (and, in any event, at least thirty (30) Days before) of Resource Provider's testing schedule to complete the Performance Tests and shall allow T&D Operator representatives to witness all Performance Tests. Resource Provider shall coordinate with T&D Operator to determine the desired start date for the Performance Tests and to ensure that the performance of the Performance Tests does not interfere with the Grid System. Resource Provider shall perform the Performance Tests under this Testing Protocol in accordance with the Testing Plan and shall demonstrate that the Facility meets the MTRs during such testing.

1.3.2 After the Commercial Operation Date

After the Commercial Operation Date:

a. during each Agreement Year of the Supply Period, PREPA may request Resource Provider to perform up to one (1) PREPA Performance Tests in accordance with Section 6.9(a) (*Supply Period Performance Tests*); and

b. Resource Provider may request to perform an additional Performance Test in accordance with Section 6.9(d) (*Supply Period Performance Tests*) of the Agreement.

1.4 Testing of the Interconnection Facilities

In respect of the commissioning and testing of the Interconnection Facilities:

a. T&D Operator shall test and commission the PREPA Interconnection Facilities in accordance with a separate testing and commissioning agreement to be entered into between T&D Operator and Resource Provider; and

b. Resource Provider shall test and commission the Resource Provider Interconnection Facilities in accordance with Paragraph 2 of this Testing Protocol.

2.0 Performance Tests

2.1 Overview

Prior to commencing any Performance Tests and prior to connection to the Interconnection Point, Resource Provider shall provide to T&D Operator a pre-inspection checklist that includes but is not limited to the following:

a. A requirement for all personnel to wear proper Personnel Protective Equipment (PPE) at all times during any testing or while on site at the Facility. The PPE requirements shall be based on the latest ARC flash study.

b. Verification that all protection equipment, controls, and relaying are loaded with proper settings.

c. Verification of proper stenciling of equipment as compared to IFC schematics and wiring diagrams.

d. Verification that safety grounds have been removed prior to energization.

e. Confirmation that a safety walkdown and job brief has been performed.

The Performance Tests include but are not limited to the following:

2.1.1 Voltage Regulation System (VRS) Tests

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Resource Provider shall test and verify that the Facility complies with the VRS requirements in the MTRs as follows:

a. Resource Provider shall test the steady state voltage regulation accuracy of +/- 0.5% of the controlled voltage at the Interconnection Point at zero percent (0%) voltage droop and at twenty percent (20%) of the maximum AC active power capacity.

b. Resource Provider shall test the Facility VRS time response with an output power of one hundred percent (100%) or lower of the maximum AC active power capacity. Resource Provider shall calibrate the VRS such that a change in reactive power will achieve ninety-five percent (95%) of its final value no later than one (1) second following a step change in voltage. For the purposes of this test, the time response means the period from the time that the reference voltage set point is received at the plant controller until the reactive power generated by the Facility at the Interconnection Point reaches ninety-five percent (95%) of its final value. Resource Provider shall test the time response of the Facility VRS by changing the reference voltage at the plant controller. Resource Provider shall perform changes to the reference voltage at two (2) levels of generation, high (>85% of the AC contracted capacity measured at the Interconnection Point) and low (< 30% of the AC contracted capacity measured at the Interconnection Point). The reference voltage changes tested shall include at least:

b.1 1.05 pu to 0.95 pu

b.2 0.95 pu to 1.05 pu

b.3 Neutral Reactive Power Bus Voltage (NBV) to NBV + (0.5% or 1%)

b.4 Neutral Reactive Power Bus Voltage (NBV) to NBV – (0.5% or 1%)

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The neutral reactive power bus voltage (NBV) is defined as the voltage at the Interconnection Point when the Facility is connected to the Grid System, energized, but not generating reactive power. Resource Provider shall define the voltage for each of the two (2) levels of generation described above and shall coordinated and agree on the proposed voltage with T&D Operator.

Resource Provider shall perform the abovementioned reference voltage changes with at least the following voltage droops and taking into account the two (2) generation levels (low and high): 0%, 1%, 2.5%, 5%, 7.5% and 10%.

c. The evaluation criteria for the VRS tests are:

c.1 Voltage error less than 0.5% of the *set point* at the Interconnection Point for voltage droop of 0%.

c.2 VRS time response less than or equal to 1 second for all cases.

c.3 Voltage overshoot lower than 1% of final voltage at the Interconnection Point for all cases.

c.4 VRS deadband does not exceed 0.1%.

VRS comparative droop results shall be presented as follows:

c.5 a comparative graph of the voltage at the Interconnection Point for all the droop cases versus the same reference voltage change; and

c.6 a comparative graph of the reactive power response at the Interconnection Point for all the droop cases versus the same reference voltage change.

2.1.2 Reactive Power Capability & Minimum Power Factor Requirements Tests

Resource Provider shall test and verify that the Facility complies with the Reactive Power Capability and Minimum Power Factor requirements in the MTRs. Resource Provider shall perform the Reactive Power Capability and Minimum Power Factor Requirement test at a power output of less than or equal to one hundred percent (100%). Resource Provider shall test the reactive power capability of the Facility to establish that the Facility complies with the reactive power capability curve described and required in the MTRs. The total power factor range shall be from 0.85 lagging to 0.85 leading at the Interconnection Point. The +/- 0.85 power factor range should be dynamic and continuous at the Interconnection Point and throughout the voltage regulation range. During the test, Resource Provider shall configure the Facility to import or export the required reactive power per the reactive power capability curve in the MTRs. The active power output range of the Facility for this test shall cover twenty percent (20%) to one hundred percent (100%) of the maximum AC active power capacity.

2.1.3 Frequency Response and Regulation Tests

Resource Provider shall demonstrate the capability of the Facility to comply with the MTRs for frequency response and regulation as follows.

a. Resource Provider shall evaluate the frequency response of the Facility at the Interconnection Point. Resource Provider shall perform part of the frequency response (FR) tests at twenty percent (20%) output power. These tests shall include at least two (2) frequency change rate

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profiles, one (1) profile with a change rate of 10 Hz/min and the other of 1 Hz/min. Both profiles shall include a complete frequency scan that cover under and over frequencies from a minimum of 59.5 Hz to a maximum of 60.5 Hz. Resource Provider may obtain these profiles by simulating the grid frequency in the Facility's frequency control. Resource Provider shall ensure that the Facility's frequency control shall command the corresponding power output based in the configured frequency response droop and taking into account the frequency dead band. The frequency response of the Facility should start after the dead band. Resource Provider shall calculate the magnitude value of the frequency response based on Appendix L (*Operating Procedures*). Resource Provider shall not base the value of the response solely on the difference between 60 Hz and the frequency deviation, to avoid a jump or discontinuity in the response. If the full magnitude of the frequency response is required, the time response shall be less than one (1) second. The frequency response tests of the Facility must include two (2) plant active power output levels. The active power output levels must be above ninety percent (90%) and below twenty percent (20%) of the maximum AC active power capacity. Resource Provider shall perform these in the following stages: (1) ramp rate control activated; and (2) ramp rate control deactivated. Resource Provider shall demonstrate that the Facility can meet the frequency response requirement independently of the ramp rate control requirement (decoupled). Resource Provider shall conduct a complete test for a two (2) Days period where the frequency response of the Facility is evaluated due to actual grid frequency variations.

b. Resource Provider shall test the Facility to ensure that it is capable of frequency response with the specified three percent (3%) to five percent (5%) droop range, and the control is configurable from three percent (3%) to five percent (5%) in steps of zero point five percent (0.5%), over the operational range of ten percent (10%) to one hundred and ten percent (110%) of the maximum AC active power capacity.

c. Resource Provider shall demonstrate the capability of the Facility to assume responsibility for upward frequency events.

2.1.4 Ramp Rate Control Tests

Resource Provider shall demonstrate the functional capability of the Facility to comply with the MTRs with respect to ramp rate control (RRC) as follows:

a. Resource Provider shall demonstrate the Facility's capability to comply with the AC contracted capacity for at least one (1) minute.

b. Resource Provider shall demonstrate the Facility's capability to comply with the ramp rate control requirement while it is connected to the grid. This testing shall be for a period of four (4) Days if during this period of time at least five (5) ramp events result in a power drop greater than thirty percent (30%) of the maximum AC active power capacity in less than one (1) minute. During two (2) of these four (4) Days during the test period, Resource Provider shall enable the frequency response control to verify that the Facility can comply simultaneously with both requirements without any interference. Resource Provider shall decouple the Ramp Rate Control and the Frequency Response Control, continuously in operation and Resource Provider shall demonstrate that the Facility shall be able to comply simultaneously with both requirements. If during the four (4) Days test period the Facility required five (5) ramp events do not occur, the test will be extended for the number of Days necessary until all five (5) ramp events have occurred, provided that if the five (5) ramp events do not occur, but the evaluation during the testing period demonstrates that the Facility is in compliance with the ramp rate control requirement presented in the MTRs for a period of ten (10) consecutive Days, then the

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Facility's compliance with the Ramp Rate Control requirement will be deemed to be achieved. Resource Provider shall perform this part of the Ramp Rate Control test with an output power of one hundred percent (100%), and shall also perform a two (2) Day period of similar tests with an output power of fifty percent (50%) of the of the maximum AC active power capacity.

2.1.5 Curtailment Test

Resource Provider shall perform active power curtailment tests demonstrating the capability of the Facility to respond to curtailment signals from T&D Operator in compliance with the MTRs and shall ensure that the Facility plant controller accepts external active power setpoints from T&D Operator. T&D Operator shall use two (2) types of curtailment commands, direct active power set value (MW) and percentage (%) value, and at least the following curtailment percentage values (and the analog MW direct values): 20%, 40%, 60% and 80%. Resource Provider shall coordinate with T&D Operator for the performance of this test. Resource Provider shall perform this test with an output power at or near one hundred percent (100%) of the maximum AC active power capacity.

2.1.6 Auto-Curtailment Test

Resource Provider shall submit a complete and detailed description of the auto-curtailment strategy to be implemented in the Facility to T&D Operator for evaluation at least one hundred and twenty (120) Days before the beginning of the test. Resource Provider shall test and verify the auto-curtailment strategy implemented in the Facility. As a minimum, the conditions to apply auto-curtailment specified in the MTRs shall be tested. The test results documentation shall be submitted by Resource Provider to T&D Operator for evaluation. Resource Provider shall perform the auto-curtailment tests in the Facility with output power of 100% of the maximum AC active power capacity.

2.1.7 Power Quality Test

Resource Provider shall test and analyze the power quality at the Interconnection Point. At a minimum, Resource Provider shall evaluate the parameters at the Interconnection Point according to the applicable standards as specified in the MTRs: total harmonic distortion (voltage and current measurements for each phase), total demand distortion (current and voltage measurements for each phase), individual harmonic distortion (voltage and current measurements), individual demand distortion (voltage and current measurements), voltage flicker in the short term, voltage flicker in the long term, and voltage and current unbalance (%). Resource Provider shall perform the power quality tests with an output power of one hundred percent (100%) of the maximum AC active power capacity.

2.1.8 Power Management Test

Resource Provider shall test the communication technology and the corresponding control equipment to comply with the power management requirements (ramp rate limits, output limits, curtailment) as established in the MTRs and to demonstrate that all components and sub-components are operating in harmony. Resource Provider shall verify the communication system is sending and receiving data with T&D Operator Operations Control Center as intended. Resource Provider shall evaluate the baseline measurements (voltage, current, temperature, frequency, energy storage capacity, charge time, discharge time) and power management requirements and check for anomalies. Resource Provider shall implement, verify and test any special protection schemes established by T&D Operator for power management.

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2.1.9 System Startup Test

a. The objective of the system start-up test is to demonstrate the start sequence of all Power Units (PU).

b. Resource Provider shall perform the system start-up test on each individual PU until the overall BESS is started. A PU is a combination of a single Power Conversion System (PCS) with associated battery and control system. The PCS is a bi-directional grid connected power converter and includes the inverter and the step-up transformer.

c. To perform the system start-up test, Resource Provider shall:

c.1 verify on the Human Machine Interface (HMI) that all the PCS inverters' s AC output terminals are energized, and the voltage values are per the nameplate. (e.g. 480 V AC);

c.2 verify on the HMI that all the PCS inverter's DC input terminals are energized, and voltage values are per technical specifications (e.g. 845-1096 V DC) depending on battery State of Charge;

c.3 verify that all PCS Operational State are "Off", as read on the HMI;

c.4 from the central BESS control (site plant controller) or local PCS controller (as applicable), set zero (0) real / reactive power setpoints and send a "Start/Run" command to start each PCS and the overall site BESS; and

c.5 verify that all PCS's start with no errors as appropriately demonstrated on the HMI.

NOTE: A Human Machine Interface (HMI) is used to visualize the system performance, status and can be used as the Graphic User Interface (GUI) to send control commands.

2.1.10 System Shutdown Test

a. The objective of the system shutdown test is to demonstrate the shutdown sequence.

b. Resource Provider shall perform the system shut-down test on each individual PU and the overall BESS.

c. To perform the system shut-down test, Resource Provider shall:

c.1 verify all PUs are running as appropriately demonstrated on the HMI;

c.2 initiate the stop or shutdown function from the central BESS control (site plant controller) or local PCS controller (as applicable) and observe that all PU performs the shutdown with no errors; and

c.3 verify all PUs shall be in "Stop/Off/Offline" state on the HMI.

2.1.11 Emergency Shutdown and Restart Test

a. The objective of the emergency shutdown and restart test is to demonstrate the emergency shutdown and restart sequence.

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b. Resource Provider shall perform the emergency shutdown and restart test on each individual PU and the overall BESS.

c. To perform the emergency shutdown and restart test, Resource Provider shall:

c.1 verify each PU is running as appropriately demonstrated on the HMI;

c.2 stop the PU by pushing the emergency stop button;

c.3 verify the PU stops immediately, and the PU main AC and DC contactors are opened, all PU are in a fault state as demonstrated on the HMI;

c.4 verify that the system has stopped;

c.5 manually reset stop button(s) and reset the system fault from the HMI;

c.6 start the PU and verify that that all PCS's start with no errors as appropriately demonstrated on the HMI; and

c.7 repeat the test for the overall BESS with an emergency stop command/button from the BESS control (site plant controller).

2.1.12 Battery Metering and Monitoring System Verification

a. The objective of the battery metering and monitoring system verification is to verify metering and monitoring system on BESS Graphical Web User Interface.

b. Resource Provider shall perform battery metering and monitoring system verification on each individual PU and the overall BESS.

c. To perform the battery metering and monitoring system verification, Resource Provider shall:

c.1 verify battery current readings are present and refreshing on the HMI; and

c.2 verify battery temperatures readings are present and refreshing on the HMI.

2.1.13 Battery Enclosure Unit Smoke Detection Test

a. Resource Provider shall demonstrate that the smoke detection circuit operates correctly and shuts down the PCS units when smoke is introduced in the enclosure. During this test, Resource Provider will ensure that if there is any fire suppression agent, it will not be activated during the test and will be temporarily disconnected from the firing pin assembly. After the test, Resource Provider will ensure that the fire suppression agent tank is reconnected for normal operations.

b. Resource Provider shall propose the detailed procedures for this test in the draft testing plan to be delivered in accordance with Paragraph 1.2 of this Testing Protocol.

2.1.14 Remote Power Setpoint Tracking

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a. The objective of the remote power setpoint tracking test is to demonstrate the capability of the BESS to follow remote active and reactive power setpoints from the central BESS control (site plant controller).

b. Resource Provider shall perform the remote power setpoint tracking test for the overall BESS.

c. To perform the remote power setpoint tracking test, Resource Provider shall:

c.1 verify the BESS is running as demonstrated in the HMI with a "Run/On" status;

c.2 set the central control system state to manual mode via user interface;

c.3 send active power command values +/-100%, +/-50%, +/-25%, 0% of the nameplate MW to manual active power input;

c.4 write reactive power values -+/-100%, +/-50%, +/-25%, 0% of the nameplate MVAR to manual reactive power input; and

c.5 record power levels as measured by reference meter and displayed on the HMI.

2.1.15 Discharge Capacity Test

a. The objective of the discharge capacity test is to demonstrate the BESS discharge capacity.

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b. Resource Provider shall perform the discharge capacity test for the overall BESS to demonstrate that the BESS is able to achieve positive fifty percent (50%) of the BESS's nameplate active power (e.g. +50 MW out of 100 MW) of positive output within one (1) second and hold for ten (10) minutes (this capability is representative of the maximum active power levels).

c. To perform the discharge capacity test, Resource Provider shall:

c.1 ensure that the BESS starting state shall be in the on-line state with each battery subsystem at approximately fifty percent (50%) usable SOC and at an initial active power level of zero (0) MW and reactive power level of zero (0) MVAR;

c.2 record the BESS active power level at the Interconnection Point;

c.3 command the BESS to follow a positive fifty percent (50%) of nameplate MW (e.g. +50 MW) SCADA signal and provide an active power profile;

c.4 record and store the BESS active power response, ensuring that all measurements are made at the same meter and by the BESS control system with a recording in the BESS historian (if applicable);

c.5 ensure that the BESS system end state shall be in the on-line state and at a commanded active power level of zero (0) MW; and

c.6 demonstrate that the difference between the BESS active power response and the commanded level is no less than ±3% as measured by the sum of values at the meter, the time to full output is one (1) second or less, and the hold period of such active power value is no less than ten (10) minutes as recorded in the BESS control system historian.

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2.1.16 Maximum Capacity Test

a. The objective of the maximum capacity test is to demonstrate the maximum quantity of steady-state power capacity (in MW) that the BESS can continuously deliver.

b. Resource Provider shall perform the discharge capacity test for the overall BESS to demonstrate that the BESS can continuously deliver D^{max}.

c. Resource Provider shall perform the maximum capacity test as follow:

c.1 discharge the BESS at D^{max};

c.2 continue the discharge operation to reduce the State of Charge from one hundred percent (100%) to zero percent (0%); and

c.3 record the BESS active power level at the Interconnection Point for the duration of the maximum capacity test.

2.1.17 Design Discharge Duration Test

a. The objective of the Design Discharge Duration test is to demonstrate the period of time that the Facility can deliver Discharge Energy at D^{max}.

b. Resource Provider shall perform the Design Discharge Duration test to demonstrate that the period of time that the Facility can deliver Discharge Energy at D^{max} is equal to or greater than the Design Discharge Duration.

c. To perform the Design Discharge Duration test, Resource Provider shall record the period of time required by Resource Provider to reduce the State of Charge of the BESS from one hundred percent (100%) to zero percent (0%) when discharging at D^{max}.

2.1.18 Discharge Energy Test

a. The objective of the Discharge Energy test is to demonstrate the quantity (expressed in MWh) of Discharge Energy that the Facility discharges when discharging at D^{max} over the Design D^{max} Duration following charging starting at zero percent (0%) State of Charge.

b. Resource Provider shall perform the Discharge Energy test to demonstrate that the Tested Duration Energy is equal to or exceeds the Degraded Duration Energy.

c. To perform the Discharge Energy test, Resource Provider shall:

c.1 command the BESS to charge from zero percent (0%) State of Charge to one hundred percent (100%) State of Charge over the Design Charge Duration;

c.2 command the BESS to discharge Discharge Energy at D^{max} for the Design Discharge Duration until the BESS reaches zero percent (0%) State of Charge; and

c.3 record the quantity (expressed in MWh) of Discharge Energy that the BESS makes available when discharging at D^{max} over the Design Discharge Duration following charging from zero percent (0%) State of Charge to one hundred percent (100%) State of Charge (for avoidance of doubt, adjusting for Station Use energy).

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2.1.19 Charge Capacity Test

a. The objective of the charge capacity test is to demonstrate the BESS charge capacity.

b. Resource Provider shall perform the charge capacity test to demonstrate that the Facility is able achieve negative fifty percent (50%) of the BESS's nameplate active power (e.g. -50 MW out of 100 MW) of output within one (1) second and hold for ten (10) minutes (this capability is representative of the maximum active power levels).

c. To perform the charge capacity test, Resource Provider shall:

c.1 ensure that the BESS system starting state shall be in the on-line state with each battery subsystem at approximately fifty (50%) usable SOC and at an initial active power level of zero (0) MW and reactive power level of zero (0) MVAR;

c.2 record the BESS active power level at the Interconnection Point;

c.3 command the BESS to follow a negative fifty (50%) of nameplate MW (e.g. -50 MW) SCADA signal and provide an active power profile;

c.4 record and store the BESS active power response, ensuring that measurements are made at the same meter and by the BESS control system with a recording in the BESS historian (if applicable);

c.5 ensure that the BESS system end state shall be in the on-line state and at a commanded active power level of zero (0) MW;

c.6 demonstrate that the difference between the BESS active power response and the commanded level is no less than ±3% as measured at the meter, the time to full output is one (1) second or less, and the hold period of such active power value is no less than ten (10) minutes as recorded in the BESS control system historian.

2.1.20 Charge Duration Test

a. The objective of the Charge Duration test is to demonstrate the period of time required by Resource Provider to increase the State of Charge of the BESS from zero percent (0%) to one hundred percent (100%) when charging at C^{max}.

b. Resource Provider shall perform the Charge Duration test to demonstrate that the period of time required by Resource Provider to increase the State of Charge of the BESS from zero percent (0%) to one hundred percent (100%) when charging at C^{max} is equal to or less than the Design Charge Duration.

c. To perform the Charge Duration test, Resource Provider shall:

c.1 command the BESS to charge from zero percent (0%) State of Charge to one hundred percent (100%) State of Charge; and

c.2 record the period of time required to increase the State of Charge of the BESS from zero percent (0%) to one hundred percent (100%) when charging at the maximum charging capacity of the Facility.

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2.1.21 Reactive Power Test

a. The objective of the reactive power test is to demonstrate the BESS reactive power production capability at the system starting state and to document the status at the end state.

b. Resource Provider shall perform the reactive power test.

c. To perform the reactive power test, Resource Provider shall:

c.1 ensure that the BESS starting state shall be in the on-line state with each battery system at approximately fifty percent (50%) usable SOC and at an initial active power level of zero (0) MW and reactive power level of zero (0) MVAR;

c.2 ensure that the BESS control system is configured to follow a predefined reactive power profile as indicated in (c) though (f) below;

c.3 command the BESS to follow >20% MVAR absorbing for ten (10) minutes;

c.4 command the BESS to follow >20% MVAR injecting for ten (10) minutes;

c.5 record and store the BESS reactive power response, ensuring that measurements are made at the same meter and by the BESS control system with recording in the BESS historian;

c.6 demonstrate that the BESS reactive power response and the commanded level is within ±3% as measured by the sum of values at the meter, the time to full output is one (1) second or less, and the hold period of such reactive power value is no less than ten (10) minutes as recorded in the BESS control system historian;

c.7 ensure that the BESS end state shall be in the on-line state and at a commanded reactive power level of zero (0) MVAR; and

c.8 record the BESS reactive power level at the Interconnection Point.

2.1.22 Round-Trip Efficiency and Energy Test

a. The objective of the round trip efficiency and energy test is to demonstrate the BESS installed energy and installed round-trip efficiency.

b. Resource Provider shall perform the round trip efficiency and energy test.

c. Resource Provider shall operate the BESS in both the charge and discharge directions in the following order:

c.1 Set each battery subsystem to three percent (3%) SOC.

c.2 Allow each battery subsystem to enter background cell balancing mode by maintaining a SOC of three percent (3%) for twenty (20) minutes. After the background cell balancing mode begins the system can be operated as normal. Allow the cell balancing function to operate in the background for at least twenty-four (24) hours to allow the automatic cell balancing procedure to reach completion. This time may be reduced based on the suppliers' recommendations.

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c.3 Discharge each battery subsystem to zero percent (0%) SOC.

c.4 Immediately perform the round-trip efficiency and capacity test set forth below.

c.5 To be valid, the test must be started within twenty-four (24) hours of the end of the period (greater than four (4) Days) during which cell balancing was completed. For the duration of the test, Resource Provider shall configure the control system to have the power limiting mechanisms disabled and shall configure each battery subsystem to follow the charge and discharge current limits specified by their respective Battery Management System (BMS).

d. To perform the round trip efficiency and energy test, Resource Provider shall:

d.1 ensure that the BESS is in the on-line state with each battery Subsystem at zero percent (0%) SOC;

d.2 verify that in the previous twenty-four (24) hour period, each battery subsystem completed the cell balancing procedure allowing full cell balancing to occur, as described item C above;

d.3 verify that ambient temperature measurements at all battery subsystems are between the recommended temperatures by the supplier throughout this test (e.g. 18 °C and 28 °C);

d.4 record initial values of each battery subsystem SOC;

d.5 command a real power charge that results in an AC power of the BESS's minimum operating level and continue the charge until the power is 2% different than the minimum operating level;

d.6 record and store the AC energy charged to the system as measured at the Interconnection Point, ensuring that measurements are made by the meter with recording in the BESS historian;

d.7 within five (5) minutes of fully charging the BESS, command a real power discharge that results in an AC power output of the BESS's maximum operating level.

d.8 maintain the discharging state until the power is two percent (2%) different than the maximum operating level; and

d.9 record and store the AC energy discharged as measured at the meter. Measurements will be made by the meter with recording in the BESS historian.

e. The resulting round-trip efficiency is the total discharged energy divided by the total charged energy at the Interconnection Point.

f. The energy capacity is the sum of the total discharged energy at the Interconnection Point.

g. Resource Provider shall demonstrate that:

g.1 the measured round-trip efficiency is equal to or greater than the round-trip efficiency guaranteed by Resource Provider; and

g.2 the energy capacity is equal to or greater than the energy capacity guaranteed by Resource Provider.

2.1.23 Automatic Generation Control (AGC) Test

a. The objective of the automatic generation control AGC test is to demonstrate the capability of the Facility to achieve the BESS's maximum operating level within one (1) second, which is representative of the maximum active power levels for T&D Operator Energy Control Center (ECC) services.

b. T&D Operator and Resource Provider shall coordinate to conduct the AGC test, and T&D Operator will initiate the AGC test from the ECC.

c. To perform the AGC test, Resource Provider shall:

c.1 ensure that the BESS is in the on-line state with each battery subsystem at fifty percent (50%) usable SOC and at an initial active power level of zero (0) MW and reactive power level of zero (0) MVAR and the control system is configured to follow a predefined active power profile as described below;

c.2 record the BESS active power level at the Interconnection Point;

c.3 command the BESS to follow a simulated ECC signal of +50% of the nameplate capacity (e.g. +50 MW of 100 MW) for ten (10) minutes;

c.4 command the BESS to follow a simulated ECC signal of -50% of the nameplate capacity (e.g. -50 MW of 100 MW) for ten (10) minutes;

c.5 record and store the BESS active power response. Measurements will be made at the same meter and by the control system with recording in the BESS historian;

c.6 the BESS end state shall be in the on-line state and at a commanded active power level of zero (0) MW; and

c.7 ensure that the BESS active power response and the commanded level (e.g. +50 MW) is within ±2% as measured by the sum of values at the meter, the time to full output is one (1) second or less, and the hold period of such active power value shall be no less than ten (10) minutes as recorded in the BESS control system historian.

2.1.24 Internal Tests

a. The internal tests are the tests that Resource Provider is required to perform in coordination with T&D Operator to demonstrate the adequate performance of the Facility based on the design and the requirements in the MTRs. The internal tests include equipment initial energization, the Original Equipment Manufacturer (OEM) onsite testing and commissioning of the Facility equipment (batteries, inverters, PCS, communication, protection, SCADA, etc.), protection system tests, internal and external communication tests, control system tests, SCADA system and signal verification tests, and the MTRs tests. The OEM tests shall include visual inspection, standard tests of the electrical infrastructure and inspection of BESS, switchgear, transformer, and SCADA. Resource Provider shall provide the corresponding documentation of the internal tests to T&D Operator.

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b. Resource Provider shall test the communication to T&D Operator's SCADA system and its corresponding signals prior to the synchronization of the Facility to the grid. Resource Provider shall install, commission and set-up a Dynamic System Monitor (DSM) with all the required signals available before performing any internal test that requires power output.

c. In addition, for the internal tests, Resource Provider shall develop a test plan with detailed procedures for the pre-commissioning, functional, energization and operational testing, which shall include the mechanical and electrical tests by NETA for the following non-inclusive list of equipment:

c.1 complete BESS per OEM recommendations and checklists;

c.2 High Voltage and Medium Voltage Equipment (disconnect switches, circuit breakers, reclosers, switchgear, transformers, cable, etc.): insulation and contact resistant, continuity, very low frequency testing, relaying, wiring, trip checks, turns ratio, voltage, phase rotation and operation;

c.3 Low Voltage Equipment (switchgear, distribution panels, switches, ATS, motors, battery chargers, controllers, transformers, control/power wires, etc.): insulation and contact resistant, continuity, very low frequency testing, relaying, wiring, trip checks, turns ratio, voltage, winding resistance, full load current, settings, and operation; and

c.4 grounding systems (BESS, substation, collector system): fall of potential, resistance, and continuity.

2.1.25 BESS Fire and Safety Tests

a. Resource Provider shall test the BESS compliance to the local fire and safety codes related to batteries in enclosures. Resource Provider shall provide site specific documentation if required by T&D Operator. Resource Provider shall ensure that testing and certification at the equipment manufacturing facilities is also completed or, if such tests cannot be done at the equipment manufacturing facilities, Resource Provider may be required to have the BESS field certified at the project site.

b. Resource Provider shall test the BESS to ensure proper functioning of the fire detection, fire protection or fire prevention mechanisms, shutdown mechanisms, smoke detection, safety functions, annunciation, emergency egress, physical enclosure security, and cyber security functions.

c. Resource Provider shall ensure that UL 9540A testing and certification shall be conducted to the 4th Edition of the standard and shall include tests of the proposed battery at the cell, module, and rack or system level. Resource Provider shall provide the full test report to T&D Operator for review, including the UL 9540A gas analysis report.

d. T&D Operator reserves the right to perform a third-party test at Resource Provider's expense to validate the OEM or Supplier's testing data. If any discrepancies in the testing data arise, T&D Operator's testing data shall supersede all other testing data used in the BESS project design.

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III. ANNUAL & RETURN TO SERVICE TESTS

1.0 Overview

The objective of the annual tests is to verify, on an annual basis, the Facility's capability to comply with the MTRs. Resource Provider shall perform the tests within thirty (30) Days of the established annual testing date and provide a report to T&D Operator with the test results and reasonable supporting documentation within forty-five (45) Days of the conduct of the test.

The purpose of the return to service tests is to ensure the proper functioning of the Facility after any repair or modification of the Facility that may affect its compliance with the MTRs or the Agreement. If Resource Provider repairs or modifies the Facility in any way that might affect its compliance with the MTRs or the Agreement, Resource Provider shall perform the appropriate annual tests as soon as the new equipment is installed or any repair/improvements are completed and prior to returning the Facility to service.

Resource Provider will identify and analyze critical parameters over time to assess the system and equipment performance, degradation, and overall health of the Facility. If performance of the Facility deviates from acceptable norms or does not meet the acceptance criteria, prompt preventive and/or corrective actions shall be planned and conducted to repair or service the system, equipment, or structures and, where trend data shows, degrading performance or condition, Resource Provider will take actions to prevent failures that can potentially result in Non-Scheduled Outages or Non-Scheduled Deratings.

2.0 Annual & Return to service Tests

Prior to commencement of the annual tests, Resource Provider shall provide a pre-inspection checklist to T&D Operator that includes but is not limited to the following:

a. A requirement for all personnel to wear proper Personnel Protective Equipment (PPE) at all times during any testing or while on site at the Facility. The PPE requirements shall be based on the latest ARC flash study.

b. Verification that all protection equipment, controls, and relaying are loaded with proper settings.

c. Verification of proper stenciling of equipment as compared to IFC schematics and wiring diagrams.

d. Verification that safety grounds have been removed prior to energization.

e. Confirmation that a safety walkdown and job brief has been performed.

Resource Provider shall perform the following tests annually and as required prior to returning the Facility to service:

a. Voltage Regulation System (VRS) Test – Resource Provider shall test and verify the Facility's compliance with the VRS requirements in the MTRs. Details of the expected tests are set out in Paragraph 2.1.2 of this Testing Protocol.

b. Reactive Power Capability Test – Resource Provider shall test and verify the Facility's compliance with the Reactive Power Capability requirements in the MTRs. Details of the

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expected tests are set out in Paragraph 2.1.3 of Testing Protocol. If the required active power output range of the Facility for this test is not reached, Resource Provider shall repeat the test, and T&D Operator shall curtail the Facility output to the active power tested.

c. Frequency Response and Regulation Test – Resource Provider shall test and verify the Facility's compliance with the Frequency Response requirements in the MTRs. Resource Provider shall demonstrate the capability of the Facility to comply with the MTRs for frequency response and regulation. Details of the expected tests are set out in Paragraph 2.1.4 of this Testing Protocol.

d. Ramp Rate Control Tests – Resource Provider shall test and verify the Facility's compliance with the Ramp Rate Control requirements in the MTRs. Resource Provider shall demonstrate the capability of the Facility to comply with the MTRs for Ramp Rate Control. Details of the expected tests are set out in Paragraph 2.1.5 of this Testing Protocol.

e. Power Quality – Resource Provider shall test and verify the Facility's compliance with the power management requirements in the MTRs. Details of the expected tests are set out in Paragraph 2.1.8 of this Testing Protocol.

f. Round Trip Efficiency – Resource Provider shall test and verify the qualified/available energy and qualified round trip efficiency of the Facility. Details of the expected tests are set out in Paragraph 2.1.22 of this Testing Protocol.

g. Charge and Discharge Capacity Tests – Resource Provider shall perform both charge and discharge tests to measure the available discharge and charge capacity and discharge and charge duration. Details of the expected tests are set out in Paragraphs 2.1.15, 2.1.16, 2.1.17, 2.1.18, 2.1.19 and 2.1.20 of this Testing Protocol.

h. Infrared thermography inspections of the Interconnection Facilities – Resource Provider shall perform an infrared thermography preventive inspection of the Interconnection Facilities and related equipment and structures.

3.0 Periodic Testing

In accordance with Section 6 (Operation of the Facility) of the Agreement, at T&D Operator's request, Resource Provider shall provide certifications of tests and inspections of the electric and protection equipment, which may impact the Grid System. T&D Operator shall have the right to visit and visually monitor Resource Provider's site during operation and testing.

IV. FACTORY ACCEPTANCE TESTS

Resource Provider shall provide to T&D Operator the major equipment manufacturer's formal test result report and official documentation of the Factory Acceptance Test (FAT) to demonstrate equipment performance, including to the MTRs, ESSA tests, design or type tests and factory routine tests. The major equipment includes BESS, MV/LV cable, inverters, switchgear, transformers, circuit breakers, disconnect switches, BESS, reactive power compensation equipment.

Resource Provider may satisfy design capability tests which comply with industry standards (IEEE 1547, IEEE P2800, UL 1741, UL 1642, UL 9540A, UL 1973, NFPA 855) by submission of the proper certification conforming to Section 6.9(b) (Supply Period Performance Tests) of the Agreement. This is applicable to U/O VRT, FR, anti-islanding, single-phasing, and three-phase

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testing. However, T&D Operator reserves the right to require Resource Provider to test on-site the anti-islanding, single-phasing, and three-phase trip capabilities of the Facility.

Resource Provider shall submit to T&D Operator the test results report and official documentation at least ninety (90) Days prior to the Facility commissioning test.

T&D Operator reserves the right to witness virtually or in person the FAT of any of the major equipment at the manufacturers' facilities. Resource Provider and T&D Operator shall coordinate the schedule to witness an FAT ahead of its execution. Resource Provider shall submit to T&D Operator the tentative dates for the FAT at the start of project development.

Additionally, Resource Provider shall provide documentation (including the corresponding manufacture's official test reports per Section 6.9(b) (Supply Period Performance Tests) of the Agreement)) from the battery and power conversion equipment manufacturers that demonstrates or certifies the batteries, power conversion equipment's and overall BESS compliance with low voltage ride-through (LVRT), over voltage ride-through (OVRT), and frequency ride through (FRT) specifications of the MTRs in Appendix K (*Minimum Technical Requirements*) of the Agreement and consistent with the Operating Procedures in Appendix L (*Operating Procedures*) of the Agreement. Resource Provider shall demonstrate compliance with the LVRT curve and the OVRT curve described in the MTRs during the commissioning tests. The LVRT tests shall include the verification and compliance testing of the reactive current injection mode during a fault. Resource Provider shall demonstrate that the disconnection times satisfy the frequency thresholds defined in the MTRs during the frequency ride through tests and frequency ride through testing on one (1) BESS to be specifically installed at the Facility. If a BESS is used in tandem to comply with the MTRs, Resource Provider shall procure that the BESS power conversion equipment manufacturer and the BESS manufacturer determine the parameters and assumptions for the manufacturer testing. Resource Provider shall procure that the equipment manufacturers utilize loss assumptions consistent with the expected conditions at the Facility.

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APPENDIX N

TECHNICAL SPECIFICATIONS FOR THE DYNAMIC SYSTEM MONITOR

I. Introduction

The following specification defines the minimum requirements for an instrument used in the monitoring and registration of dynamic disturbances on electric power systems and the supervision of source 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 on the application required analog signals. The minimum resolution for the A/D converter shall be 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 on 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 medium, 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

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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 one (1) sample per second on all the signals. This recording function is continuous, but saved in twenty-four (24) hour periods.

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

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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.

III. Software

a. The software platform of the equipment shall be compatible with the latest version of Microsoft 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:

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1. Modification of the configuration;

2. Retrieval of captured events; and

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; and

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;

4. Display resizing;

5. Programmable conversion of range and units of signals; and

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; and

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; and

8. AC voltage and currents.

IV. General

a. Environmental Conditions:

1. Operating temperature: 0° C to 50° C; and

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 purchase order.

e. Warranty:

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

2. Equipment Training, Installation Support and Commissioning:

i. An on-site equipment operation and configuration training should be included; and

ii. The dynamic system monitor manufacturer shall perform the equipment commissioning and offer installation support.

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APPENDIX O

TECHNICAL REQUIREMENTS FOR OPERATION, PROTECTION, & CONTROL

1. Resource Provider shall provide general protection practices, which comply with PREPA's written protection system practices and DCDs, 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 systems. Resource Provider has responsibility for the design, accurate relay settings (in accordance with the Approved Design) and testing of the protection that shall contain the evaluated Resource Provider Interconnection Facilities' settings. PREPA will evaluate and approve only the protection design, settings, and tests of the Resource Provider Interconnection Facilities related to PREPA's system stability, security, and optimal performance. Those protection designs, settings and tests of the Resource Provider 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 3 (*Pre-Operation Period*) and Appendix H (*Interconnection Description and Specifications*), Resource Provider shall have responsibility 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 Resource Provider Interconnection Facilities and (b) the differential protection relay from the Resource Provider Interconnection Facilities to the PREPA Interconnection Facilities.

3. Resource Provider shall submit a complete Resource Provider Interconnection Facilities 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, including the following:

   a. The approved Resource Provider Interconnection Facilities design single line drawings shall have all the equipment information and all the relay's input and output descriptions;

   b. The Resource Provider Interconnection Facilities relay settings shall include the logic, inputs, and outputs according to the Approved Design;

   c. The backup overcurrent protection units of the Resource Provider 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 Resource Provider Interconnection Facilities to PREPA shall have Wye, Wye, Delta configuration to avoid zero sequence current contribution from the Facility during faults at the electrical system;

   e. The Resource Provider Interconnection Facilities transformer protection shall be set so that the Resource Provider Interconnection Facilities does not provide short circuit current to PREPA or disconnects instantly;

   f. The Resource Provider Interconnection Facilities transformer protection shall provide an overvoltage protection unit on the delta side of the transformer to disconnect the Resource

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Provider Interconnection Facilities during ground faults on the delta side of the transformer; and

g. Resource Provider shall provide all the equipment data of the Resource Provider 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 Resource Provider shall ensure that it includes all the required data in the report upon first submittal.

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APPENDIX P

PERFORMANCE GUARANTEE

1. Facility Availability

a. Threshold Availability

Resource Provider guarantees the Facility will be available for use by PREPA for at least seventy percent (70%) of the hours in each Billing Period during the Supply Period ("**Threshold Availability**"). For each Billing Period, Facility Availability shall be calculated in accordance with paragraph (b) of Section 4 (*Facility Availability*) of Appendix F (*Compensation*).

b. Availability Liquidated Damages

If the Facility Availability falls below the Threshold Availability during any Billing Period of an Agreement Year, then Resource Provider shall pay PREPA liquidated damages for each hour of such Billing Period (the "**Availability Liquidated Damages**") equal to:

$$ALD = (TA - FA) \times DDE \times \left(RER - \frac{CPP}{(30.33 \frac{Days}{Month} \times 24 \frac{hours}{Day})} \right)$$

where:

ALD = Availability Liquidated Damages for such hour, expressed in $;

TA = Threshold Availability, expressed as a percentage;

FA = Facility Availability for such Billing Period, expressed as a percentage;

DDE = Degraded Duration Energy applicable to such Agreement Year, expressed in MWh;

RER = replacement Energy rate of $170/MWh; and

CPP = Capability Payment Price applicable to such Agreement Year, expressed in $/MW-Month.

2. Capability

a. Guaranteed Capability

Resource Provider guarantees that the Facility will maintain an Adjusted Duration Energy not less than the Degraded Duration Energy ("**Guaranteed Capability**") for the Supply Period, as measured by the Performance Tests conducted in accordance with Section 6.9 (*Supply Period Performance Tests*).

b. Capability Liquidated Damages

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If a Performance Test shows the Adjusted Duration Energy below the Guaranteed Capability, then Resource Provider shall pay PREPA, for each Day from the Day on which such Performance Test occurred until the Day on which Resource Provider demonstrates a Tested Duration Energy equal to or greater than the Degraded Duration Energy, liquidated damages ("**Capability Liquidated Damages**") equal to:

$$CLD = (GC - TDE) \times \left(RER - \frac{CPP}{(30.33 \frac{Days}{Month} \times 24 \frac{hours}{Day})} \right)$$

where:

CLD = Capability Liquidated Damages, expressed in $;

GC = Guaranteed Capability, expressed in MWh;

TDE = Tested Duration Energy, expressed in MWh;

RER = replacement Energy rate of $170/MWh; and

CPP = Capability Payment Price applicable to such Agreement Year, expressed in $/MW-Month.

3. Efficiency

a. Guaranteed Efficiency

Resource Provider guarantees that the Facility will maintain Actual Efficiency for each Billing Period during the Supply Period not less than Guaranteed Efficiency. The Parties shall calculate Actual Efficiency in accordance with paragraph (b) of this Section 3 of this Appendix P.

b. Calculation of Actual Efficiency

Resource Provider shall calculate the actual efficiency of the Facility for each Billing Period "n" as a percentage measurement using the formula set forth below ("**Actual Efficiency**"):

$$\text{Actual Efficiency}_n = \frac{(DE_n + (AE_{end} - AE_{beg}))}{CE_n}$$

DE_n = the total Discharge Energy for Billing Period "n", as measured for such period in accordance with Section 8.4 (*Meter Reading*);

CE_n = the total Charge Energy for Billing Period "n", as measured for such period in accordance with Section 8.4 (*Meter Reading*);

AE_{end} = Stored Energy Level at 23:59 on the last Day of Billing Period "n";

AE_{beg} = Stored Energy Level at 23:59 on the last Day of the Billing Period preceding the current Billing Period "n"; and

n = relevant Billing Period "n" for which Actual Efficiency is calculated.

c. Efficiency Liquidated Damages

If the Actual Efficiency for a Billing Period "n" in an Agreement Year falls below the Guaranteed Efficiency, then Resource Provider shall pay PREPA liquidated damages for such Billing Period (the "**Efficiency Liquidated Damages**") equal to:

$$ELD = \left(RER - \frac{CPP}{(30.33 \frac{Days}{Month} \times 24 \frac{hours}{Day})} \right) \times ((CE \times GE) - DE)$$

where:

ELD = Efficiency Liquidated Damages for such hour, expressed in $;

RER = replacement Energy rate of $170/MWh;

CPP = Capability Payment Price applicable to such Agreement Year, expressed in $/MW-Month;

CE = the total Charge Energy for Billing Period "n", as measured for such period in accordance with Section 8.4 (*Meter Reading*);

GE = Guaranteed Efficiency, expressed as its decimal equivalent; and

DE = the total Discharge Energy for Billing Period "n", as measured for such period in accordance with Section 8.4 (*Meter Reading*).

4. Ramp Rate

a. Guaranteed Ramp Rate

Resource Provider guarantees a minimum response rate of [ten percent (10%)] of the Facility's Degraded Duration Energy per minute ("**Guaranteed Ramp Rate**").

b. Non-Scheduled Outage

The Ramp Rate will be measured in accordance with Section 6.9 (*Supply Period Performance Tests*). If the Facility is unable to demonstrate the Guaranteed Ramp Rate, Resource Provider shall place the Facility into a Non-Scheduled Outage immediately and resolve any issues so that the Facility can achieve the Guaranteed Ramp Rate.

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APPENDIX Q

FORM OF SWORN STATEMENT

SWORN STATEMENT

Comes now, PATTERN SANTA ISABEL STORAGE LLC, a limited liability company organized and existing under the laws of the state of Delaware, with employer identification number [•], represented in this act by [Representative's Name], of legal age, [Civil Status] and resident in [dwelling] and under the most solemn oath declares the following:

1. That my name and other personal circumstances are the aforementioned.

2. That I hold the position of [Title] in the aforementioned company.

3. That the undersigned or PATTERN SANTA ISABEL STORAGE LLC, its president, vice-president, directors, executive director, members of its board of directors, board of directors, nor any of its officials or person performing equivalent functions for PATTERN SANTA ISABEL STORAGE LLC; or its subsidiaries or alter egos:

   a. Have not pled guilty to, or have not been convicted of, to any of the crimes enumerated in the Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.

   b. Have not pled guilty or have not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves the misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

4. The undersigned expressly recognizes that the conviction in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves the misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico will result in automatic termination of any contract in the Government of Puerto Rico.

5. That this statement complies with Act 8-2017, as amended, and Act 2-2018.

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IN WITNESS WHEREOF, I affirm and sign the herein document in _____, this _____ day of _____, 20_____.

_____

Representative's Signature

Affidavit No. _____

Duly sworn and subscribed to before me by _____, whose personal circumstances are the above mentioned and who to me is personally known, or have identified by means of _____, in _____, this _____ day of _____, 20___.

_____

Notary Public

_____

Seal

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APPENDIX R

FORM OF FOMB CERTIFICATION

CONTRACTOR CERTIFICATION REQUIREMENT

Resource Provider shall provide the following certification to FOMB and the Commonwealth's Contracting Government Entity, signed by its Chief Executive Officer (or equivalent highest rank officer):

Unless the context otherwise requires, capitalized terms have the meanings defined in the Energy Storage Services Agreement dated [•] (the "**Agreement**"). For purposes of this certification, (i) the term "Agreement" is inclusive of any amendments, modifications or extensions, (ii) the "owner" shall mean all Persons with an ownership or membership interest, as the case may be, equal to or greater than ten percent (10%) in Resource Provider; and (iii) the term "principals" shall mean any Person that has full authority to act on behalf of Resource Provider.

1. Resource Provider's subcontractor(s) in connection with the Agreement (including any amendments, modifications, or extensions) is (are) the following:

   (Name of individual or firm, including names of principals and owners of Resource Provider)

   (Principal terms and conditions of the contractual relation and role of the subcontractor)

   (Amount of proposed contract payable to each subcontractor)

2. Neither Resource Provider nor any of its owners (including any Person or entity with more than a ten percent (10%) ownership interest in Resource Provider), partners, directors, officials, or employees, has agreed to share or give a percentage of Resource Provider's compensation under the Agreement to, or otherwise compensate, any third party, whether directly or indirectly, in connection with the procurement, negotiation, execution or performance of the contract, except as follows:

   (Name of individual or firm, including names of principals and owners of Resource Provider)

   (Principal terms and conditions of the compensation sharing arrangement and consideration for such benefit)

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 Agreement (such as the execution of a subcontract with Resource Provider, beneficial treatment under the contract, or the written or unwritten promise of a gift, favor, or other monetary or non-monetary benefit).

5. Neither Resource Provider, 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

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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 Resource Provider's representative as part of this certification shall cause the nullity of the proposed contract and Resource Provider must reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Agreement.

The above certifications are hereby 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:
Date:
Signature:

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APPENDIX S

FORM OF CONDITIONS SUBSEQUENT CERTIFICATE

CONDITIONS SUBSEQUENT CERTIFICATE

Date: **[•]**

Agreement: **[•]** [NTD: Insert contract number and title.]

From: Puerto Rico Electric Power Authority ("**PREPA**")

To: Pattern Santa Isabel Storage LLC ("**Resource Provider**")

We refer to the Energy Storage Services Agreement dated **[•]** between PREPA and Resource Provider (the "**ESSA**"). Unless the context otherwise requires, capitalized terms used in this Conditions Subsequent Certificate shall have the meanings ascribed to them in the ESSA.

Resource Provider hereby certifies and confirms to PREPA that Resource Provider has satisfied all of its Conditions Subsequent under the ESSA, including mutual conditions. By signature below, PREPA likewise certifies and confirms to Resource Provider that PREPA has satisfied all of its Conditions Subsequent under the ESSA, including mutual conditions.

We hereby certify that the Satisfaction of Conditions Subsequent occurred on **[•]**.

Very truly yours,

Pattern Santa Isabel Storage LLC
as Resource Provider

_____
[•]

Acknowledged and agreed,

Puerto Rico Electric Power Authority
as PREPA

_____
[•]

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APPENDIX T

FORM OF CONSTRUCTION START DATE CERTIFICATE

CONSTRUCTION START DATE CERTIFICATE

Date: [●]

From: Pattern Santa Isabel Storage LLC ("**Resource Provider**")

To: Puerto Rico Electric Power Authority ("**PREPA**")

We refer to the Energy Storage Services Agreement between PREPA and Resource Provider dated [●] (the "**ESSA**"). Unless the context otherwise requires, capitalized terms used in this Construction Start Date Certificate shall have the meanings ascribed to them in the ESSA.

We hereby certify that Resource Provider has:

a. obtained all Permits, authorizations and real property rights needed to start construction of the Facility;

b. secured the necessary financing and Equity (which Shareholders have contributed or committed) for the construction of the Facility and payment for the PREPA Interconnection Facilities Works under the Interconnection Agreement (including the execution of documents between Resource Provider and the Project Lenders that include binding commitments which, together with Equity, provide for one hundred percent (100%) of the total capital cost of the Facility and payment for the PREPA Interconnection Facilities Works under the Interconnection Agreement, other than the amount to be funded by Equity);

c. entered into the Facility Construction Contract and any other agreements necessary to make the Energy Storage Services available to PREPA in accordance with the ESSA;

d. received PREPA's confirmation of the Approved Design;

e. maintains the Performance Security required by the ESSA in full force and effect; and

f. given each of its primary contractor(s) under the Facility Construction Contract a full, unconditional notice to proceed with construction of the Facility.

The Construction Start Date occurred on [●].

Very truly yours,
Pattern Santa Isabel Storage LLC
as Resource Provider

_____
[●]

Acknowledged and agreed,
Puerto Rico Electric Power Authority
as PREPA

_____
[●]

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APPENDIX U

FORM OF COMMERCIAL OPERATION DATE CERTIFICATE

COMMERCIAL OPERATION DATE CERTIFICATE

Date: [•]

From: Pattern Santa Isabel Storage LLC ("**Resource Provider**")

To: Puerto Rico Electric Power Authority ("**PREPA**")

We refer to the Energy Storage Services Agreement between PREPA and Resource Provider dated [•] (the "**ESSA**"). Unless the context otherwise requires, capitalized terms used in this certificate shall have the meanings ascribed to them in the ESSA.

We hereby certify that:

a. as demonstrated by the Initial Performance Tests, (i) Resource Provider has completed the installation, testing and commissioning of the Facility, (ii) the Facility can make available Capability on a sustained basis that meets or exceeds the Design Capability (or, to the extent that a Design Capability exceeds the corresponding Capability, (1) Resource Provider has credited PREPA for all Liquidated Damages required by the ESSA in respect thereof, and (2) such Capability of the Facility meets or exceeds the Minimum Acceptance Capability and satisfies the Other Minimum Acceptance Criteria, and (iii) the Facility can make available Discharge Energy that corresponds to such Capability at the Interconnection Point and receive Charge Energy at such point, on a continuous basis, in each case, in accordance with Prudent Utility Practices and the ESSA;

b. Resource Provider has obtained, and maintains in force, all material Permits required for the operation of the Facility; and

c. the Facility complies in all material respects with Applicable Law.

The Commercial Operation Date occurred on [•].

Very truly yours,	Acknowledged and agreed,
Pattern Santa Isabel Storage LLC as Resource Provider	**Puerto Rico Electric Power Authority** as PREPA
[•]	[•]

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APPENDIX V

FORM OF PERFORMANCE SECURITY

IRREVOCABLE, STANDBY LETTER OF CREDIT

[Bank's Name, and Address of Issuing Branch or Office]

Beneficiary: PUERTO RICO ELECTRIC POWER AUTHORITY
Address: **[●]**
Attn:**[●]**

Reference No.: [●]

Date of Issuance: [●]

PREPA – Pattern Santa Isabel Storage LLC Energy Storage Services Agreement – Performance Security No. [●]

We understand that Pattern Santa Isabel Storage LLC (the "***Applicant***") has entered into a contract with you, Beneficiary, dated **[●]** (as amended, the "***Agreement***"), which requires a Performance Security in the form and amount of this irrevocable standby letter of credit ("***Letter of Credit***").

At the request of the Applicant, we **[*name of Bank*]**, hereby issue this Letter of Credit and irrevocably undertake to pay you any sum or sums not exceeding in total an amount of **[●]** United States Dollars (USD **[●]**) in each case upon receipt by us of your first demand in writing at the Place of Presentation listed below in person, by registered or certified mail or by international overnight courier service, substantially in the form attached as Annex A hereto (signed by your authorized representative and appropriately completed) ("***Demand***"), without your needing to prove or to show grounds for your Demand or the sum specified therein. We shall remit all payment(s) under this Letter of Credit into a bank account of your choice and discretion as specified in your Demand. You may make one or more Demands under this Letter of Credit. Partial drawings are permitted.

Any Demand made by Beneficiary in accordance herewith shall be conclusive evidence that the sum stated in such Demand is properly due and payable to Beneficiary under this Letter of Credit. We shall have no right and shall not be under any duty or responsibility to enquire into the reason or circumstances of any Demand made by Beneficiary or the respective rights and/or obligations and/or liabilities of Beneficiary and the Applicant under the Agreement. Any discrepancy between the explicit terms hereof and the Rules (defined below) shall be read in favor of the terms set forth in this Letter of Credit.

Place of Presentation: [*insert address of Bank branch where Beneficiary presents a Demand*].

We shall, within five (5) business days after receipt of any Demand served from time to time by Beneficiary, pay to Beneficiary in immediately available funds the lesser of: (a) the amount specified in the Demand; and (b) the then applicable amount remaining on the Letter of Credit. If a Demand made by Beneficiary hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, then we shall give Beneficiary, within two (2) business days after receipt of such Demand, notice that such Demand was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reason therefore. Upon being notified that a Demand was not made in conformity with this Letter of Credit, Beneficiary may attempt to correct such non-conforming Demand. Our obligations under this Letter of Credit are primary and not by way of surety or guarantee.

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[This Letter of Credit shall enter into force and effect upon expiry of Performance Security No. [•], dated [•] and issued by [•].] [**NTD**: *Insert this language if this is a replacement Letter of Credit.*]

This Letter of Credit shall expire on **[*date*]** but such expiration date shall be automatically extended for a period of one (1) year commencing on such expiration date ("***Expiry Date***"), and on each successive expiration date thereafter, unless at least one hundred twenty (120) calendar days before the then current Expiry Date we notify both Beneficiary and Applicant that we have decided not to extend this Letter of Credit beyond the then current Expiry Date. Any such notice shall be delivered by registered or certified mail, or by FedEx, both to:

Beneficiary at:

[•]

And to Applicant at:

[•]

In the event Beneficiary and Applicant are so notified by us pursuant to the immediately preceding sentence, Beneficiary may draw any amount or the entire amount available under this Letter of Credit by Beneficiary's presentment, at the Place of Presentation, of a drawing certificate duly signed in substantially the form of Annex A attached hereto appropriately completed. In no event shall the Expiry Date of this Letter of Credit be subject to automatic extension beyond sixty (60) calendar days after the expiration of the Agreement term, and any pending automatic one-year extension shall be ineffective beyond such date. The Expiry Date does not affect our liability to make payment of any demand received prior to the Expiry Date.

This Letter of Credit is subject to ICC International Standby Practices 1998 (ISP 98), International Chamber of Commerce Publication No. 590 (the "***Rules***"). For matters not addressed by the Rules, this Letter of Credit is governed by and is to be construed in accordance with the laws of [jurisdiction of the Qualified Bank]. In the event of a conflict between the terms of this Letter of Credit and the Rules, ICC Publication No. 758, the terms of this Letter of Credit shall prevail.

The courts of the United States Federal Courts in the Commonwealth shall have exclusive jurisdiction in respect of all disputes arising out of this Letter of Credit (including, without limitation, the enforceability of this Letter of Credit).

_____

_____

_____

By:
Authorized Signatory

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AS

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ANNEX A - FORM OF DRAWING CERTIFICATE

[*Letterhead of Beneficiary*]

[*Name of Issuing Bank*]

Date: [•]

PREPA — Pattern Santa Isabel Storage LLC Energy Storage Services Agreement – Performance Security No. [•]

We refer to the above-captioned irrevocable standby letter of credit, with reference number **[•]** ("***Letter of Credit***"). Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them in the Letter of Credit or the Agreement. We hereby inform you that:

1. a Construction Start Termination Event, a COD Termination Event, or a Default (as defined in the Agreement) by Applicant or the owing by Applicant to Beneficiary has occurred under the Agreement for penalties or any other liabilities, damages, losses, costs or expenses arising out of or relating to a breach of any obligation under the Agreement by Applicant, such as Default or otherwise, or the Agreement provides that Beneficiary may draw on the Letter of Credit, entitling us to call upon the Letter of Credit; or

2. applicant owes Beneficiary Liquidated Damages under and in accordance with the Agreement; or

3. you no longer meet the requirements of a Qualified Bank (as defined below) and twenty-eight (28) calendar days or more have elapsed since the date on which you no longer met such requirements, and the Applicant has not delivered to Beneficiary a replacement letter of credit that is substantially identical to the Letter of Credit, meeting the requirements of the Agreement. "Qualified Bank" means a national bank, national association, commercial bank or other financial institution registered in the United States, having a branch located within Puerto Rico or the contiguous United States, and otherwise acceptable to Beneficiary that has a long-term issuer rating of at least (i) if headquartered within Puerto Rico, then "B+" by Standard & Poor's Ratings Services, "B1" by Moody's Investors Services Inc., or "B+" by Fitch Ratings Inc. or (ii) if headquartered outside of Puerto Rico, then "A-" by Standard & Poor's Ratings Services, "A3" by Moody's Investors Services Inc., or "A-" by Fitch Ratings Inc., or in each case if the relevant rating agencies cease to engage in business or rate the obligations in question, then an equivalent rating from another internationally recognized rating agency selected by Applicant with the written consent of Beneficiary; provided that, if such financial institution's ratings satisfy such minimum ratings, no other credit rating agency shall have placed such financial institution on credit watch with negative implications; or

4. twenty-eight (28) or less calendar days remain before the current Expiry Date, the Applicant's obligation to maintain the Letter of Credit under the Agreement extends beyond such Expiry Date, and the Applicant has not delivered to Beneficiary a replacement Letter of Credit substantially identical to the Letter of Credit and meeting the requirements of the Agreement.

This letter serves as our demand for payment under the Letter of Credit. We request that you immediately pay the sum of **[•]** into the bank account below:

Account Name: [•]

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Account Number:	**[•]**
Bank Name:	**[•]**
Bank Address:	**[•]**
Swift Code:	**[•]**

Yours very truly,

[*Puerto Rico Electric Power Authority*]

_____

By:
Authorized Signatory

Docusign Envelope ID: FBB3BBAD-4E43-4B51-A1F0-20653892BDEF

APPENDIX W

FORM OF DIRECT AGREEMENT

DIRECT AGREEMENT

THIS DIRECT AGREEMENT ("**Direct Agreement**") dated [•], is entered into among: (i) the Puerto Rico Electric Power Authority, a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created by an Act of 23 May 1941, No. 83, as amended (the "**Consenting Party**"), (ii) [•] (together with its successors, designees and permitted assigns in such capacity, the "**Administrative Agent**") and (iii) Pattern Santa Isabel Storage LLC, a limited liability company organized and existing under the laws of the state of Delaware (the "**Assignor**"). All capitalized terms used herein and not otherwise defined in this Direct Agreement shall have the respective meanings set forth in the Assigned Agreement (as defined below). The principles of interpretation and construction set forth in the Assigned Agreement shall apply to, and are hereby incorporated by reference as if fully set out in, this Direct Agreement, *mutatis mutandis* and as if any references to "this Agreement" and "Party" in such provisions were references to, respectively, "this Direct Agreement" and "the parties hereto".

RECITALS

WHEREAS:

(A) the Assignor (as seller) and Consenting Party (as buyer) have entered into that certain Energy Storage Services Agreement, dated as of [•] (as amended, restated or supplemented, the "**Assigned Agreement**"), pursuant to which the Assignor will develop a 100 MW Facility at the Site, (ii) interconnect the Facility with the Grid System, and (iii) provide energy storage services exclusively to the Consenting Party, and the Consenting Party will pay for the energy storage services from the Facility built by the Assignor;

(B) Pursuant to Section 19.3 (*Resource Provider's Right to Assign*) of the Assigned Agreement, the Consenting Party has agreed to use commercially reasonable efforts to cooperate with any financing efforts of the Assignor, and the Assignor may assign its rights to payment under the Assigned Agreement to Project Lenders as security for its obligations to any such lender in connection with any financing of the development and construction of the Facility;

(C) The Assignor has entered into that certain [Credit Agreement], dated as of [•] (as amended, restated or supplemented, the "Credit Agreement"), among Project Lenders from time to time party thereto (together with the Administrative Agent, each, a "**Secured Party**", and, collectively, the "**Secured Parties**") and the Administrative Agent, pursuant to which such Project Lenders will make loans to the Assignor to, among other things, finance the construction of the Facility;

(D) The Assignor has entered into that certain Security Agreement, dated as of [•] (as amended, restated or supplemented, the "Security Agreement"), among the Assignor, the other subsidiary guarantors from time to time party thereto and the Administrative Agent, pursuant to which each of the Assignor and such subsidiary guarantors have granted to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in certain property as collateral security for the prompt and complete payment and performance when due of such entities' obligations under the Credit Agreement; and

(E) The [*immediate parent of Assignor*] (the "**Pledgor**") has entered into that certain Pledge Agreement, dated as of [•] (as amended, restated or supplemented, the "**Pledge Agreement**"),

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among the Pledgor, and the Administrative Agent, pursuant to which Pledgor granted to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in all equity interests in the Assignor as collateral security for the prompt and complete payment and performance when due of such entities' obligations under the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. NOTICE OF ASSIGNMENT

The Assignor hereby gives notice to the Consenting Party that and Consenting Party acknowledges that (a) pursuant to the Security Agreement, the Assignor has pledged and assigned to the Administrative Agent, for the benefit of the Secured Parties, and granted to the Administrative Agent a security interest in, all of the Assignor's right, title and interest in, to and under the Assigned Agreement pursuant to the Security Agreement (the "**Assigned Interest**"), as collateral security for the obligations of the Assignor under the Credit Agreement and (b) pursuant to the Pledge Agreement, the Pledgor has pledged and assigned to the Administrative Agent, for the benefit of the Secured Parties, and granted to the Administrative Agent a security interest in, all of the equity interest in Assignor as collateral security for the obligations of the Assignor under the Credit Agreement.

2. PAYMENTS UNDER THE ASSIGNED AGREEMENT

2.1 Billing Arrangements

The Consenting Party agrees that, unless and until it has been notified in writing by the Administrative Agent that the Security Agreement has been terminated, the Consenting Party will pay all amounts payable by it under the Assigned Agreement directly to the Assignor at such account as may be specified in a written notice delivered by the Administrative Agent to the Consenting Party. The Assignor authorizes and acknowledges the foregoing and agrees that any payment made consistent with this Section 2.1 shall be treated for all purposes as a payment made directly to the Assignor under the terms of the Assigned Agreement.

2.2 No Set-Off Except as Provided Under Assigned Agreement

The Consenting Party agrees that in making payments in respect of the Assigned Agreement, it will not offset any amounts owed to it by the Assignor or any of its Affiliates except as provided under the Assigned Agreement.

3. RIGHTS OF ADMINISTRATIVE AGENT

3.1 Exercise of the Assignor's Rights and Remedies

If the Administrative Agent provides written notice to the Consenting Party that an event of default has occurred under the Credit Agreement and that the Administrative Agent desires to exercise its rights and remedies pursuant to the Security Agreement, the Administrative Agent or any Substitute Provider (as defined below) shall be entitled to exercise any and all rights of the Assignor under the Assigned Agreement in accordance with the terms of this Direct Agreement and the Assigned Agreement. The Consenting Party agrees to accept such exercise by the Administrative Agent or any Substitute Provider and continue its performance under the Assigned Agreement in accordance with the terms thereof.

3.2 Right to Cure

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Upon the occurrence of an event of default by the Assignor under the Assigned Agreement, or upon the occurrence or non-occurrence of any other event or condition which would enable the Consenting Party to terminate or suspend its obligations under the Assigned Agreement (herein called a "**default**"), the Consenting Party will not terminate its obligations under the Assigned Agreement until it first gives to the Administrative Agent (i) the written notice required to be given to Assignor by the Assigned Agreement specifying the nature of the default giving rise to such right (and in the case of a payment default, specifying the amount thereof); and (ii) the opportunity to cure such default (A) for a period of sixty (60) days, in the case of a payment default (other than the default provided under (B) below), (B) thirty (30) days, in the case of failure to obtain and/or maintain the required insurance under Section 18 of the Assigned Agreement, provided, however, that the required insurance would have to be reinstated or effective as of the date of the breach of the obligation to obtain and/or maintain such required insurance, and (C) one hundred twenty (120) days (or such longer period, not to exceed an additional cure period of one hundred fifty (150) days, if such default can be cured and the Administrative Agent (or its designee) diligently pursues such cure), in the case of a non-payment default (other than the default provided under (B) above), and such time period shall begin for any such default upon the expiration of the applicable cure period, if any, set forth in the Assigned Agreement for the Assignor to cure such default.

3.3 No Liability

Except during any period in which the Administrative Agent or any Secured Party (or any of their respective designees or assignees) constitutes a Substitute Provider, the Consenting Party acknowledges and agrees that neither the Administrative Agent nor any Secured Party (or any of their respective designees or assignees) shall have any liability or obligation under the Assigned Agreement as a result of this Direct Agreement except to the extent of their respective interest in the Assigned Agreement, the Credit Agreement or the Security Agreement, nor shall the Administrative Agent or any Secured Party (or any of their respective designees or assignees) be obligated or required to perform any of the Assignor's obligations under the Assigned Agreement or to take any action to collect or enforce any claim for payment assigned under the Security Agreement. No curing of any defaults under the Assigned Agreement shall be construed as an assumption by the Administrative Agent or any Secured Party (or any of their respective designees or assignees) of any of the obligations, covenants or agreements of the Assignor under the Assigned Agreement.

3.4 Substitution: Transfer

(a) The Consenting Party agrees that, notwithstanding anything to the contrary in the Assigned Agreement, if the Administrative Agent shall notify the Consenting Party in writing that an Event of Default (as defined in the Credit Agreement) has occurred and is continuing under the Credit Agreement and that the Administrative Agent desires to exercise its rights and remedies pursuant to the Security Agreement, then a Substitute Provider may be substituted for the Assignor under the Assigned Agreement. In such event, the Consenting Party will continue to perform its obligations under the Assigned Agreement in favor of the Substitute Provider, subject, in any event, to all of the Consenting Party's rights and remedies thereunder, but recognizing that the Substitute Provider's obligations under the Assigned Agreement shall be limited to the Substitute Provider's interest in the Facility and all revenues and proceeds derived therefrom. In the event that the Substitute Provider succeeds to the Assignor's interest under the Assigned Agreement, whether by foreclosure or otherwise, the Substitute Provider shall not be liable for curing or performing or be required to perform or cause to be performed any of the defaults under the Assigned Agreement that were, by their nature, incapable of being cured or performed.

(b) If the Assigned Agreement is rejected or terminated by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding involving the Assignor, and if within ninety (90)

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days after such rejection or termination the Administrative Agent shall so request, a Substitute Provider and the Consenting Party will promptly execute a new agreement that shall be for the balance of the remaining term under the Assigned Agreement (before giving effect to such rejection or termination) and shall contain the same agreements, terms and conditions as the Assigned Agreement. If the approval of any such trustee or debtor in possession or any regulatory approval is necessary in order for the Consenting Party to enter into or perform under any such new agreement, the Consenting Party shall cooperate with the Administrative Agent or Substitute Provider in obtaining such approvals.

"**Substitute Provider**" means, in respect of any assignment, transfer or sale permitted hereunder (each a "**transfer**") any person, including the Administrative Agent, any Secured Party, or the Administrative Agent's or any Secured Party's designee or assignee, if the transfer is made to the Administrative Agent or a Secured Party, or any purchaser of the Assigned Interest in a foreclosure sale or otherwise, who: (i) is properly licensed or otherwise authorized to perform the Assignor's obligations under the Assigned Agreement, is a counterparty with whom the Consenting Party is not prohibited from transacting under the regulatory regime then-applicable to the Assigned Agreement, and has provided the certifications and documentation required by Appendix B (*PREPA Signing Conditions*) of the Assigned Agreement, but construing references to Resource Provider therein as references to such new provider; (ii) has an Unrestricted Net Worth that exceeds the product of twenty-five million dollars ($25,000,000) multiplied by the number of energy generation, energy storage or similar utility-scale projects subject to a power purchase, energy storage or similar agreement between the Consenting Party and such new provider (or its direct or indirect parent has an Unrestricted Net Worth that exceeds the product of seventy-five million dollars ($75,000,000) multiplied by the number of energy generation, energy storage or similar utility-scale projects subject to a power purchase, energy storage or similar agreement between the Consenting Party and either such new provider or an Affiliate of such new provider); (iii) has provided, to the extent requested, all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations (including, without limitation, the Patriot Act, rules and regulations of the Office of Foreign Assets Control and other similar client identification policies and procedures) as well as all documentation required by the Assigned Agreement (including as signing conditions) and Puerto Rico law; (iv) has not formally threatened in writing or commenced any litigation proceeding against the Consenting Party and is not subject of any formal written threat of litigation issued or of any litigation proceeding initiated by the Consenting Party; (v) is or has engaged a Qualified Operator to develop, construct, test, commission, operate, maintain and repair a project similar to the one contemplated by the Assigned Agreement, to deliver energy to the Consenting Party from such a project and otherwise fulfil the Assignor's obligations under the Assigned Agreement.

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4. TERMINATION UNDER THE ASSIGNED AGREEMENT

In the event of a termination under the Assigned Agreement pursuant to [Article 15], the following termination provisions shall apply:

4.1 Defined Terms

"**Approved Indebtedness**" means financial indebtedness incurred to or guaranteed, in whole or in part, by the LPO.

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"**Debt**" means the sum of all amounts required to be paid or repaid by Resource Provider in respect of Approved Indebtedness and other forms of indebtedness for borrowed money, including principal, accrued interest, reasonable and documented breakage costs (as commonly understood in the market) and reasonable and documented fees and expenses, but excluding any prepayment penalties, make-whole and indemnification claims and any indebtedness constituting Net Invested Cash Equity and financial debt owed to Affiliates.

"**Equity Investment**" means the amount invested in the design, development, construction, equipment procurement, installation, commissioning and operation of the Facility and the Interconnection Facilities, including costs to acquire the Site and costs of permitting, by Resource Provider's direct or indirect parent corporation or other investors as common stock, preferred stock or equivalents, general or limited partnership interests, subordinated debt, or other qualifying contributions, in each case as evidenced by audited financial statements and, if applicable, interim financial statements for any interim periods subsequent to the last audited period.

"**Forbearance Period**" means the period commencing on the effective date of this Direct Agreement and terminating upon the fifth (5th) anniversary of the date that the Facility is placed in service within the meaning of Section 48(a)(1) of the U.S. Internal Revenue Code.

"**LPO**" means the Loan Programs Office of the U.S. Department of Energy.

"**Net Invested Cash Equity**" means, as of the Termination Date, the cash Equity invested in the Facility, *less* cash dividends and distributions received through the Termination Date.

"**Rate of Return**" means fifteen percent (15%).

"**Return On Invested Cash Equity**" means, as of the Termination Date, an amount equal to the Rate of Return per annum on the Equity Investment compounded annually from the Agreement Date until the Termination Date.

4.2 Removal of Facility and Related Equipment

a. Upon the expiration of the Term or earlier termination of the Assigned Agreement where PREPA has no obligation to and otherwise does not purchase Resource Provider's right, title and interest in the Facility, Resource Provider 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 lives in accordance with all Applicable Laws.

b. Upon (i) an early termination of the Assigned Agreement that results in PREPA's obligation or election to purchase Resource Provider's right, title and interest in the Facility pursuant to Section 4.3, and (ii) payment by PREPA of the termination costs provided in Section 4.3 (without any deduction or offset, including pursuant to this Section 4.2, that would result in the amount paid under Section 4.3 being less than the amount of outstanding Debt related to the Facility), the Facility and related equipment will become the property of PREPA and be in PREPA's full and exclusive possession and PREPA shall have the right, at its option, to engage another resource provider to perform the services furnished by the Facility. In such case, either the Facility (and all right, title and interest) shall be delivered to PREPA in good working condition and operating in accordance with all Applicable Laws and Permits, and free from any encumbrance, lien or claim or PREPA may deduct from the purchase price (other than any portion of the purchase price relating to outstanding Debt) any amounts reasonably necessary to bring the assets into such

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condition (or release such lien, encumbrance or claim), all of which shall be transferred to PREPA or the new resource provider for the Facility.

c. Notwithstanding clause (b) of this Section 4.2, if any termination of the Assigned Agreement occurs pursuant to Section 4.2 and Section 4.3 prior to the end of the Forbearance Period and the LPO is prohibited at such time from foreclosing on or taking possession of the Facility under any agreement or arrangement with the Assignor or any Affiliate thereof, then, the right to purchase Resource Provider's right, title and interest in the Facility shall not be exercised, and the related payment shall not be made, until the earlier of the end of the Forbearance Period and such time as the LPO is not so prohibited from foreclosing on or taking possession of the Facility.

4.3 Termination Cost

a. If the Assigned Agreement is terminated:

1. by PREPA pursuant to Section 15.1(c) (*Termination Date*) of the Assigned Agreement with respect to a Resource Provider Default, PREPA shall have the right to purchase Resource Provider's right, title and interest in the Facility (free and clear of any lien, encumbrance or claim) for an amount equal to the outstanding Debt related to the Facility calculated as of the Termination Date, which, for the avoidance of doubt, will be in addition to and not in lieu of, any other Claims PREPA may have under the Assigned Agreement;

2. by Resource Provider pursuant to Section 15.1 (c) (*Termination Date*) of the Assigned Agreement with respect to a PREPA Default, Resource Provider shall have the right, but not the obligation, to require PREPA to purchase Resource Provider's right, title and interest in the Facility for an amount equal to:

i. prior to the Commercial Operation Date, the outstanding Debt related to the Facility, *plus* Net Invested Cash Equity calculated as of the Termination Date, and

ii. from and after the Commercial Operation Date, the outstanding Debt related to the Facility, *plus* Net Invested Cash Equity, *plus* Return On Invested Cash Equity, in each case calculated as of the Termination Date;

3. by Resource Provider or PREPA pursuant to Section 15.1(c) (*Termination Date*) in accordance with Section 15.3(a) or 15.3(c) (*Termination for Prolonged Force Majeure*) of the Assigned Agreement with respect to (i) a Political Force Majeure or (ii) a PREPA Risk Event that occurs under paragraph (b) of the definition of PREPA Risk Event if, but only if, payments for Delay Liquidated Damages or the Capability Payment Price are due and unpaid under the Assigned Agreement, then (A) in the case of a termination by Resource Provider, Resource Provider shall have the right but not the obligation to, require PREPA to and (B) in the case of a termination by PREPA, PREPA shall have the right but not the obligation to, in each case purchase Resource Provider's right, title and interest in the Facility, free and clear of any lien, encumbrance or claim) for an amount equal to the outstanding Debt related to the Facility calculated as of the Termination Date; provided however, that in lieu of termination of the Assigned Agreement pursuant to Section 15.3(a) or 15.3(c) and payment of amounts under this paragraph 3, Resource

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Provider shall have the right to elect to, and PREPA shall, negotiate an adjustment to the Base Rate to reflect the negative impact of the relevant Political Force Majeure; and

4. in the event of termination of the Assigned Agreement for a Natural Force Majeure pursuant to Section 15.3(b) or (c) of the Assigned Agreement, the Parties acknowledge and agree that no termination payment shall be required but the insurance proceeds received in respect of such Natural Force Majeure shall be applied in the first instance to pay the outstanding financial Debt related to the Facility calculated as of the Termination Date.

b. In the event of any termination of the Assigned Agreement, any insurance proceeds received by Resource Provider from any insurance policy pursuant to Section 18 of the Assigned Agreement shall be applied to reduce the outstanding financial Debt related to the Facility in the first instance. If a termination payment has been made by PREPA to Resource Provider in full pursuant to Section 4.3(a) and insurance proceeds are subsequently received by Resource Provider, such proceeds shall be, immediately and in any event within five (5) Business Days, paid to PREPA. Upon any transfer of the Facility to PREPA following the payment of a termination payment pursuant to Section 4.3(a), the Facility shall be delivered to PREPA free and clear of any lien, encumbrance or claim. Resource Provider shall be obliged to provide PREPA all information reasonably necessary to permit, finance, construct operate and maintain the Facility.

c. In the event of any termination of the Assigned Agreement, any termination cost which Resource Provider is entitled to recover under this Section 4.3 shall be paid by PREPA no later than ninety (90) Days after the first day of PREPA's next fiscal year, provided, however, that during such period PREPA pays any interest or principal that becomes due and payable other than principal due as a result of an acceleration of Approved Indebtedness.

d. Except as otherwise expressly contemplated by the Assigned Agreement, any indebtedness by either Party to the other shall be considered due and payable within ninety (90) Days after the Termination Date, provided, however, that PREPA shall have the right to pay to Resource Provider in the case of an early termination by Resource Provider in accordance with Section 4.3(a) the amount in excess of the outstanding financial Debt related to the Facility in the form of a note in lieu of cash, with a tenor not to exceed five (5) Years and with an interest rate of ten percent (10%).

4.4 Transfer of Facility

Immediately upon payment by PREPA of the termination cost under Section 4.3, Resource Provider shall transfer to PREPA, free and clear of all liens and encumbrances all of Resource Provider's right, title and interest in the Facility including insofar as they are part of or used in the Facility, all of Resource Provider's right, title and interest in:

a. all raw materials, consumables and spare parts;

b. all tangible personal property;

c. all intangible personal property, including patents, patent licenses, patent applications, tradenames, trademarks, trademark registrations and applications, trade secrets, copyrights, know how, and any other intellectual property rights;

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d. all buildings and fixtures;

e. computerized and non-computerized records, reports, data, files, and information;

f. all drawings, test results, and documents relating to the Facility;

g. all warranties of equipment, materials and work;

h. all contract rights and insurance policies;

i. all work in progress under contracts with vendors, suppliers, contractors and subcontractors; and

j. all rights with respect to any insurance proceeds payable to or for the account of Resource Provider, but unpaid at the date of termination of the Assigned Agreement, in respect of Resource Provider's right, title and interest in the Facility.

5. REPRESENTATIONS

The Consenting Party represents that:

(c) The Consenting Party is a Puerto Rico public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, duly organized, validly existing and in good standing under the laws of the Commonwealth of Puerto Rico and is duly qualified to conduct its business, to own its properties, and to execute and deliver, and to perform its obligations under, this Direct Agreement.

(d) The execution, delivery and performance by the Consenting Party of this Direct Agreement have been duly authorized by all necessary corporate action and do not and will not (i) require any consent or approval of any Governmental Authority or the board of directors, members or partners (or equivalent persons), as the case may be, of the Consenting Party which has not been obtained, (ii) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Consenting Party, or (iii) violate or result in a breach of or constitute a default under, or require a consent that has not been obtained under or result in the creation of a lien under, its certificate of incorporation or by-laws or any indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Consenting Party is a party or by which it or its properties may be bound or affected.

(e) This Direct Agreement has been duly executed and delivered by the Consenting Party and constitutes the legal, valid and binding obligation of the Consenting Party enforceable against it in accordance with its terms, except as enforceability may be limited by general principles of equity and by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally. This Direct Agreement is in full force and effect.

(f) No authorization, approval, consent, permit or other action by, or registration or filing with, any governmental authority or any other entity is necessary for or in connection with the execution or delivery by the Consenting Party of, or the performance by the Consenting Party of any of its obligations under this Direct Agreement, other than those which have been duly obtained or made and are final and non-appealable and in full force and effect as of the date hereof.

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(g) No litigation, action, suit, adverse proceeding or investigation before or by any arbitrator or government authority is pending or, to the best knowledge of the Consenting Party, threatened in writing against the Consenting Party or against any of its properties or revenues (i) with respect to this Direct Agreement or any of the transactions contemplated hereby or thereby; or (ii) which, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the ability of the Consenting Party to perform its obligations under this Direct Agreement.

6. RESERVATION OF RIGHTS

The parties hereto agree that each of the Consenting Party and the Assignor reserves any and all rights and remedies (including those relating to set-off, counterclaim, deduction or retention) it may have under the Assigned Agreement or applicable law and the rights reserved by each of the Consenting Party and the Assignor under the Assigned Agreement and applicable law are cumulative and not exclusive of any rights it may have under the Assigned Agreement and/or applicable law; provided that exercise of such rights shall be subject to the terms of this Direct Agreement.

7. MISCELLANEOUS

7.1 Further Assurances

In the event that the Consenting Party incurs bond or other borrowed money financing that exceeds $[•] billion in the aggregate, which is secured by a gross pledge of Grid System revenues or provides the holders of such indebtedness (or their agents) with a first lien on Grid System revenues and a priority in the right to collect or be paid from Grid System revenues over and before the payment of the Consenting Party's operating expenses, the Consenting Party and the LPO will consult in good faith over: (i) whether the incurrence of such indebtedness would have a material adverse effect on the ability of the Resource Provider to receive payments under the Assigned Agreement in the event there is a default or breach by the Consenting Party under the Assigned Agreement, and (ii) the need for, and appropriateness of, establishing for the benefit of the LPO a reserve account on Grid System revenues to provide recourse to the LPO in the event the Consenting Party fails to make timely payments under the Assigned Agreement for energy delivered by the Resource Provider.

7.2 Notices

All notices and other communications hereunder shall be in writing and delivered to the applicable recipient pursuant to this Section 7.2: (i) if to the Consenting Party or to the Assignor, in accordance with the Assigned Agreement; (ii) if to the Administrative Agent, [•] or (iii) to such other address or facsimile number as any party may designate by notice given to all parties hereto pursuant to this Section 7.2. Delivery of notices and communications sent pursuant to this Section 7.2 shall be effective upon receipt.

7.3 Governing Law

THIS DIRECT AGREEMENT AND ALL QUESTIONS REGARDING ITS VALIDITY, INTERPRETATION, PERFORMANCE AND/OR ENFORCEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICT-OF-LAW PRINCIPLES OF SUCH STATE OR OTHER JURISDICTION TO THE CONTRARY. JURISDICTION AND VENUE OF ANY SUIT OR ACTION TO ENFORCE THIS DIRECT AGREEMENT SHALL REST SOLELY IN THE UNITED STATES FEDERAL COURTS IN THE SOUTHERN DISTRICT OF NEW YORK AND EACH OF THE PARTIES HERETO HEREBY SUBMITS TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR THE

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PURPOSE OF RESOLVING ANY AND ALL MATTERS ARISING UNDER OR IN RESPECT OF THIS DIRECT AGREEMENT AND AGREES THAT PERSONAL SERVICE UPON EACH SUCH PARTY MAY BE MADE BY DELIVERY THEREOF TO SUCH PARTY AT THE ADDRESS SPECIFIED HEREIN.

7.4 Waiver of Jury Trial

EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS DIRECT AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

7.5 Counterparts

This Direct Agreement may be executed by any number of, and on separate, counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A facsimile or .pdf copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

7.6 Headings Descriptive

The headings of the several sections and subsections of this Direct Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Direct Agreement.

7.7 Severability

In case any provision in or obligation under this Direct Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

7.8 Amendment

Neither this Direct Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by each party hereto.

7.9 Successors and Assigns

This Direct Agreement shall be binding upon the successors and assigns of the Consenting Party and inure, together with the rights and remedies of the Assignor and the Administrative Agent, to the benefit of the Assignor and the Administrative Agent and their respective successors and assigns.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

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IN WITNESS WHEREOF, the parties hereto have caused this Direct Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year above written.

PUERTO RICO ELECTRIC POWER AUTHORITY

by

_____

Name:

Title:

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[●] as Administrative Agent

by

_____

Name:

Title:

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APPENDIX X

FORM OF IF COMPLETION NOTICE

IF COMPLETION CERTIFICATE

Date: **[•]**

Agreement: **[•]** [NTD: Insert contract number and title.]

From: Pattern Santa Isabel Storage LLC ("**Resource Provider**")

To: Puerto Rico Electric Power Authority ("**PREPA**")

We refer to the Energy Storage Services Agreement dated [•] between PREPA and Resource Provider (the "**ESSA**"). Unless the context otherwise requires, capitalized terms used in this IF Completion Certificate shall have the meanings ascribed to them in the ESSA.

We hereby certify that, on [*date*], Resource Provider has substantially completed and tested the Interconnection Facilities in accordance with paragraphs (a) and (b) of Section 4.4 (*Pre-Synchronization Testing*) of the ESSA.

As required by paragraph (c) of Section 4.4 (*Pre-Synchronization Testing*) of the ESSA, a copy of the red line drawing used for the construction of the Interconnection Facilities is attached to this document.

Very truly yours,

Pattern Santa Isabel Storage LLC
as Resource Provider

_____
[•]

Acknowledged and agreed,

Puerto Rico Electric Power Authority
as PREPA

_____
[•]

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APPENDIX Y

FORM OF SUBSTANTIAL COMPLETION NOTICE

SUBSTANTIAL COMPLETION NOTICE

Date: **[•]**

Agreement: **[•]** [NTD: Insert contract number and title.]

From: Puerto Rico Electric Power Authority ("**PREPA**")

To: Pattern Santa Isabel Storage LLC ("**Resource Provider**")

We refer to the Energy Storage Services Agreement dated **[•]** between PREPA and Resource Provider (the "**ESSA**"). Unless the context otherwise requires, capitalized terms used in this Substantial Completion Notice shall have the meanings ascribed to them in the ESSA.

PREPA, in consultation with the Independent Expert, has determined that Resource Provider has constructed the Interconnection Facilities and the Facility in accordance with the Approved Design. Nothing in this certificate relieves or waives any obligation that Resource Provider might have under the Agreement.

The Parties shall proceed with Initial Synchronization and testing pursuant to Article 5 (*Synchronization, Testing & Completion*).

Very truly yours,

Pattern Santa Isabel Storage LLC
as Resource Provider

_____
[•]

Acknowledged and agreed,

Puerto Rico Electric Power Authority
as PREPA

_____
[•]

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APPENDIX Z

FORM OF WARRANTY COMPLIANCE CERTIFICATE

WARRANTY COMPLIANCE CERTIFICATE

Date: **[•]**

Agreement: **[•]** [NTD: Insert contract number and title.]

To: Puerto Rico Electric Power Authority ("**PREPA**")

From: Pattern Santa Isabel Storage LLC ("**Resource Provider**")

We refer to the Energy Storage Services Agreement dated **[•]** between PREPA and Resource Provider (the "**ESSA**"). Unless the context otherwise requires, capitalized terms used in this Warranty Compliance Certificate shall have the meanings ascribed to them in the ESSA.

I have reviewed the representations and warranties made by Resource Provider under Article 12 (*Representations, Warranties, & Covenants*), and, on behalf of Resource Provider, confirm and certify to PREPA the truth and correctness of such representations and warranties on the date hereof.

Very truly yours,

Pattern Santa Isabel Storage LLC
as Resource Provider

_____
[•]

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APPENDIX AA

FORM OF PAYMENT GUARANTEE

THIS PAYMENT GUARANTEE AGREEMENT (the "**Payment Guarantee**"), is entered into as of **[•]** day of **[•]**, by **Pattern Energy Group LP**, a limited partnership organized and existing under the laws of Delaware with its principal office at 1088 Sansome St, San Francisco, California (the "**Guarantor**"), in favor of **PUERTO RICO ELECTRIC POWER AUTHORITY**, a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, with its principal office at 1110 Ponce de León Avenue, Office #808, San Juan, Puerto Rico (together with any successor or permitted assign under the ESSA (as defined below), the "**Beneficiary**");

WHEREAS:

A. **Pattern Santa Isabel Storage LLC**, a limited liability company organized and existing under the laws of Delaware (the "**Company**") has entered into the Energy Storage Services Agreement, dated **[•]**, with the Beneficiary (as amended, the "**ESSA**");

B. (i) the ESSA obligates the Company to deliver this Payment Guarantee to the Beneficiary as one of the conditions subsequent for the period that Resource Provider does not have a net worth of at least twenty-five million dollars ($25,000,000), and (ii) the Guarantor has agreed to execute and deliver this Payment Guarantee; and

C. the Guarantor (i) holds a direct or indirect ownership interest of one hundred percent (100%) of the Company on the date hereof, and (ii) expects as an affiliate of the Company to derive commercial benefits from the ESSA as a result of such ownership interest;

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the Guarantor hereby acknowledges, the Guarantor and the Beneficiary (each, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

1. DEFINITIONS

1.1 General

In this Payment Guarantee:

"**Banking Day**" means any day other than a Saturday, a Sunday or any other day on which Applicable Law authorizes, or requires, commercial banks in New York City to be closed.

"**Beneficiary**" has the meaning set out in the preamble of this Payment Guarantee.

"**Company**" has the meaning set out in the Recital (A) of this Payment Guarantee.

"**Guaranteed Obligations**" has the meaning set forth in Section 3.1 (*General*).

"**Guarantor**" has the meaning set out in the preamble of this Payment Guarantee.

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"**Insolvency Event**" means any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding with respect to a Party or the Company, any respective properties or creditors of a Party or the Company, or any action taken by any trustee or receiver of a Party or the Company or by any court in any such proceeding.

"**Intangible Assets**" shall mean the total amount of goodwill, patents, trade names, trade or service marks, copyrights, experimental expense, organization expense, unamortized debt discount and expense, the excess of cost of shares acquired over book value of related assets, and such other assets as are properly classified as "intangible assets" of the entity determined in accordance with GAAP.

"**Payment Guarantee**" has the meaning set forth in the preamble of this Payment Guarantee.

"**ESSA**" has the meaning set forth in Recital (A) of this Payment Guarantee.

"**Service of Process Agent**" has the meaning set forth in paragraph (d) of Section 4.2 (*Dispute Resolution*).

"**Tangible Net Worth**" means, with respect to the Guarantor, the Guarantor's net worth as shown on Guarantor's regular financial statements prepared in accordance with US GAAP (or any designated successor standard of the United States Securities Exchange Commission), but excluding an amount equal to: (i) any Intangible Assets, and (ii) any amounts now or hereafter directly or indirectly owing to the Guarantor by officers, shareholders or affiliates of the Guarantor.

"**Tangible Net Worth Requirement**" means, with respect to any Person, that such Person has a Tangible Net Worth of at least seventy-five million dollars ($75,000,000).

"**Term**" has the meaning set forth in Section 4.7 (*Term*).

1.2 Other Defined Terms

The capitalized terms "**Applicable Law**", "**Satisfaction of Conditions Subsequent**", "**Commercial Operation Date**", "**Default**", "**Person**" and "**PREB**" shall have the meanings set forth in the ESSA.

2. GUARANTOR'S REPRESENTATIONS & COVENANTS

2.1 Representations

The Guarantor makes the following representations to the Beneficiary as of the date hereof:

a. the Guarantor has been duly organized and is validly existing and in good standing under the Applicable Laws of Delaware, has full legal right, power and authority to enter into, and carry out the terms and provisions of, this Payment Guarantee, and by proper corporate action has duly authorized the execution, delivery and performance of this Payment Guarantee;

b. the execution and delivery of, and performance of its obligations under, this Payment Guarantee by the Guarantor will not conflict with, or constitute on the part of the Guarantor a breach of or default under, its relevant organizational documents or any indenture or other material agreement or instrument to which the Guarantor is a party or by which it or its

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properties are bound or any order, law, rule or regulation of any court or governmental agency or body having jurisdiction over the Guarantor or any of its activities or properties;

c. this Payment Guarantee has been duly authorized, executed and delivered by the Guarantor and constitutes the valid and legally binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except to the extent that applicable bankruptcy, insolvency, reorganization, moratorium or other Applicable Laws affecting the enforcement of creditors' rights generally and general equitable principles may limit enforceability of this Payment Guarantee;

d. the Guarantor does not require a notice to, authorization, approval, consent or order of, or registration or filing with, any court or governmental agency or body having jurisdiction over the Guarantor or any of its activities or properties for the execution, delivery and performance of this Payment Guarantee; and

e. the Guarantor (i) holds a direct or indirect ownership interest of one hundred percent (100%) of the Company, and (ii) satisfies the Tangible Net Worth Requirement.

2.2 Covenants

During the Term, the Guarantor undertakes to:

a. satisfy the Tangible Net Worth Requirement on a continuous basis at all times;

b. hold and maintain a direct or indirect ownership interest of at least fifty-one percent (51%) of the Company, without prejudice to Equity Transfers or asset transfers permitted under Sections 19.4 and 19.5 of the ESSA; and

c. maintain its existence, and not dissolve, sell or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

3. PAYMENT GUARANTEE

3.1 General

The Guarantor absolutely, unconditionally and irrevocably guarantees to the Beneficiary, as primary obligor and not merely as surety, the full and prompt payment by the Company of all of the Company's payment obligations under the ESSA to the Beneficiary when and as due (whether by required prepayment, declaration, acceleration, demand or otherwise) arising during the period that commences on the Satisfaction of Conditions Subsequent and expires on the Commercial Operation Date, including, without limitation, payment obligations in respect of any Default under the ESSA by the Company, and including all fees, costs, and expenses (collectively, the "**Guaranteed Obligations**"). This Payment Guarantee constitutes a continuing guaranty of payment and not of collection.

3.2 Indemnity

As an independent and primary obligation, the Guarantor shall indemnify, defend and hold harmless the Beneficiary against any and all losses, damages, costs, expenses and liabilities (including legal fees and expenses) suffered by the Beneficiary or which the Beneficiary may incur, to the extent

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that a judicial authority declares any of the Guaranteed Obligations as illegal, invalid, void or unenforceable by reason of an Insolvency Event or any other reason.

3.3 Maximum Liability

Notwithstanding any other provision of this Payment Guarantee, the maximum aggregate liability of the Guarantor arising under this Payment Guarantee shall never exceed the maximum aggregate liability of the Company under the ESSA plus costs, fees and expenses, including all attorneys' fees, which may be incurred by the Beneficiary in enforcing or attempting to enforce this Payment Guarantee as provided in Section 3.7 (*Costs*). The Guarantor shall be entitled to all contractual defenses, limitations and exclusions available to the Company under the ESSA but not any defenses that may arise in the event that the Company suffers an Insolvency Event.

3.4 Unconditional Nature of Obligations; Waivers

Subject to Section 3.3 (*Maximum Liability*), the obligations of the Guarantor under this Payment Guarantee shall be absolute, irrevocable and unconditional and shall remain in full force and effect until the date on which this Payment Guarantee terminates in accordance with Section 4.7 (*Term*), and such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including any of the following events, whether or not with notice to, or the consent of, the Guarantor:

a. The waiver, surrender, compromise, settlement, or release of any or all of the obligations, covenants or agreements of the Company under the ESSA;[4]

b. The failure to give notice to the Guarantor of the occurrence of a Default under the ESSA;

c. The waiver, compromise or release of the payment, performance or observance by the Company or by the Guarantor, respectively, of any or all of the obligations, covenants or agreements of either of them contained in the ESSA or this Payment Guarantee, as the case may be;

d. The extension of the time for payment of any Guaranteed Obligations under the ESSA or of the time for performance of any other of the Company's obligations arising out of the ESSA;

e. The modification, amendment, waiver or alteration (whether material or otherwise) of any obligation or representation set forth in the ESSA;

f. the taking, or the omission, of any of the actions referred to in the ESSA;

g. any failure, omission, delay or lack on the part of the Beneficiary to enforce, assert or exercise any right, power or remedy conferred on it in the ESSA;

h. the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the

4 Note: The Guarantee terminates on the date on which the Company has discharged all of the Guaranteed Obligations in full, so there is no need to qualify (a) and (e) as proposed

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Guarantor or the Company or any of the respective assets of either of them, or any allegation or contest of the validity of this Payment Guarantee in any such proceeding;

i. any defense based upon any legal disability of the Company or, to the extent permitted by Applicable Law, any release, discharge, reduction or limitation of or with respect to any sums owing by the Company or any other liability of the Company to the Beneficiary;

j. to the extent permitted by Applicable Law, the release or discharge by operation of law of the Guarantor from the performance or observance of any obligation contained in this Payment Guarantee;

k. the default or failure of the Guarantor fully to perform any of its obligations set forth in this Payment Guarantee; or

l. the invalidity or unenforceability of the ESSA or any part thereof.

This Payment Guarantee is in no way conditional or contingent upon any attempt to collect from or bring action against the Company or its assets or upon any other action, occurrence or circumstance whatsoever. The liability of the Guarantor hereunder is independent of and not in consideration of or contingent upon the liability of any other person under this or any similar instrument and the release of, or cancellation by, any party to this or a similar instrument shall not act to release or otherwise affect the liability of the Guarantor hereunder. The Guarantor hereby agrees that it shall not be necessary for the Beneficiary, and the Guarantor hereby waives any rights which the Guarantor may have to require the Beneficiary, in order to enforce the obligations of the Guarantor hereunder, first to (i) institute suit or exhaust its remedies against any the Company or any other person, (ii) enforce the Beneficiary's rights or exhaust any remedies available to the Beneficiary against any assets of the Company or (iii) resort to any other means of obtaining payment of the obligations of the Company hereunder.

The Guarantor waives and agrees not to assert

(i) the defense of the statute of limitations in any action hereunder or for the collection of the Guaranteed Obligations;

(ii) any defense arising by reason of any lack of corporate or other authority or any other defense of the Company or any other person;

(iii) any rights to set-offs and counterclaims;

(iv) without limiting the generality of the foregoing, to the fullest extent permitted by Applicable Law, any defenses or benefits that may be derived from or afforded by Applicable Law limiting the liability of or exonerating guarantors or sureties, or that may conflict with the terms of this Payment Guarantee; and

(v) any and all notice of the acceptance of this Payment Guarantee, and any and all notice of the creation, renewal, modification, extension or accrual of the Guaranteed Obligations, or the reliance by Beneficiary upon this Payment Guarantee, or the exercise of any right, power or privilege hereunder. The Guaranteed Obligations shall conclusively be deemed to have been created, contracted, incurred and permitted to exist in reliance upon this Payment Guarantee. The Guarantor waives promptness, diligence, presentment, protest, demand for payment, notice of default, dishonor or nonpayment and all other notices to or

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upon the Company, the Guarantor or any other person with respect to the Guaranteed Obligations.

If any payment by the Company to the Beneficiary is rescinded or must be returned by the Beneficiary, the obligations of the Guarantor hereunder shall be reinstated with respect to such payment. The Guarantor shall have no right to (i) raise a defense previously raised by the Company arising out of or in connection with a Guaranteed Obligation claimed hereunder and which a judicial authority has settled in the Beneficiary's favor by the dispute resolution procedures of Article **Error! Reference source not found.** (***Error! Reference source not found.***) of the ESSA, or (ii) to use a cure period previously used by the Company. The Guarantor assumes responsibility for being and remaining informed of the financial condition of the Company and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations which diligent inquiry would reveal and agrees that the Beneficiary shall not have a duty to advise the Guarantor of information known to it regarding such condition or any such circumstances.

3.5 Proceedings Against the Guarantor

In the event of a Default in the payment of the Guaranteed Obligations when and as the same shall become due, the Beneficiary shall have the right to proceed first and directly against the Guarantor under this Payment Guarantee without proceeding against the Company or exhausting any other remedies which it may have and the Guarantor shall pay all Guaranteed Obligations on demand.

3.6 Subrogation

Upon payment of any Guaranteed Obligation, the Guarantor shall be subrogated to the rights of the Beneficiary against the Company with respect to such Guaranteed Obligation, and the Beneficiary agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation; provided that the Beneficiary shall have no obligation to take any such steps and the Guarantor shall not enforce any right arising by way of subrogation or exercise any other right or remedy arising by reason of any performance by it of this Payment Guarantee, including, but not limited to, any contractual, statutory or common law rights of reimbursement, contribution or indemnity, whether against the Company or any other Person, until the date on which this Payment Guarantee terminates in accordance with Section 4.7 (*Term*).

3.7 Costs

The Guarantor agrees to pay all costs, expenses and fees, including all attorneys' fees, which may be incurred by the Beneficiary in enforcing or attempting to enforce this Payment Guarantee following any default on the part of the Guarantor hereunder, whether the same shall be enforced by suit or otherwise.

3.8 Financial Condition of the Company

The Guarantor shall not have any right to require the Beneficiary to obtain or disclose any information with respect to: the financial condition or character of the Company or the ability of the Company to pay and perform the Guaranteed Obligations, any action or inaction on the part of the Beneficiary or any other Person; or any other matter, fact or occurrence whatsoever. The Guarantor hereby acknowledges that it has undertaken its own independent investigation of the financial condition of the Company and all other matters pertaining to this Payment Guarantee and further acknowledges that it is not relying in any manner upon any representation or statement of the Beneficiary with respect thereto, and that it is now and at all times will be completely familiar

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with, the business, condition (financial or otherwise), operations, performance, properties, and prospects of the Company.

4. MISCELLANEOUS

4.1 Governing Law

This Payment Guarantee shall be governed by, and construed in accordance with, the Applicable Laws of the Commonwealth of Puerto Rico including those processes before PREB whereby PREB renders a final determination of any Dispute submitted pursuant to paragraph (a) of Section 4.2 (*Dispute Resolution*), without regard to any contrary result required under applicable conflicts of laws rules.

4.2 Dispute Resolution

If a dispute arises between the Parties regarding the application, interpretation, enforceability, validity, performance or breach of this Payment Guarantee (a "**Dispute**"), then the disputing Party may promptly provide written notice of the Dispute to the other Party and the Parties shall resolve such Dispute as follows:

a. The Parties shall submit such Dispute to PREB for final determination.

b. Each Party agrees that (i) a final determination of a Dispute rendered by PREB shall have a conclusive and binding effect on it, and (ii) a Party may enforce such final determination in the courts of any competent jurisdiction following completion of any recognition and enforcement process required in such jurisdiction, subject to the grounds for non-enforcement under the laws of the jurisdiction in which such Party seeks such enforcement.

c. To the extent that PREB declines to resolve such Dispute submitted pursuant to paragraph (a) above for any reason, the Parties agree to resolve such Dispute before the Court of First Instance for the Commonwealth of Puerto Rico, San Juan Part. By the execution of this Agreement, the Guarantor irrevocably submits to the jurisdiction of any such court in any action, suit or proceeding relating to such Dispute or final determination. Final judgment against the Guarantor in any such action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction, by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the judgment, or in any other manner provided by Applicable Law.

d. The Guarantor hereby irrevocably designates, appoints and empowers [*name of service of process agent*] (the "**Service of Process Agent**"), with offices currently located at [*address within Commonwealth of Puerto Rico*], as its authorized agent solely to receive for and on its behalf service of any summons, complaint or other legal process in any action, suit or proceeding the Beneficiary may bring in the Commonwealth of Puerto Rico in respect of this Payment Guarantee.

e. As long as this Payment Guarantee remains in force, the Guarantor shall maintain a duly-appointed and authorized agent to receive for and on its behalf service of any summons, complaint or other legal process in any action, suit or proceeding that the Beneficiary may bring in the Commonwealth of Puerto Rico, United States of America, with respect to this Payment Guarantee. The Guarantor shall keep the Beneficiary advised of the identity and location of such agent.

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f. The Guarantor also irrevocably consents, if for any reason its authorized agent for service of process of summons, complaint and other legal process in any action, suit or proceeding is not present in the Commonwealth of Puerto Rico, to the service of such process being made out of the courts of the Commonwealth of Puerto Rico located in the of the Court of First Instance for the Commonwealth of Puerto Rico, San Juan Part by mailing copies of the papers by registered mail, to the Guarantor, at its address specified pursuant to Section 4.3 (*Communications*). In such a case, the Beneficiary shall also send a copy of the process papers to the Guarantor via email.

g. Service in the manner provided in paragraphs (d), (e) and (f) above in any action, suit or proceeding will be deemed personal service, will be accepted by the Guarantor as such and will be valid and binding upon the Guarantor for all purposes of any such action, suit or proceeding.

h. *THE GUARANTOR IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW:*

1. *ANY OBJECTION THAT IT MAY HAVE NOW OR IN THE FUTURE TO THE LAYING OF THE VENUE OF ANY ACTION, SUIT OR PROCEEDING IN ANY COURT REFERRED TO IN THIS SECTION;*

2. *ANY CLAIM THAT ANY SUCH ACTION, SUIT OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM;*

3. *ITS RIGHT OF REMOVAL OF ANY MATTER COMMENCED BY THE BENEFICIARY IN THE COURT OF FIRST INSTANCE FOR THE COMMONWEALTH OF PUERTO RICO, SAN JUAN PART; AND*

4. *ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT AGAINST THE GUARANTOR BY THE BENEFICIARY.*

i. Where (i) a dispute, claim or controversy arises out of, or in connection with, the ESSA, and (ii) such dispute, claim or controversy also forms a basis for the Beneficiary to assert a claim under this Payment Guarantee, the Guarantor shall consent to any request by the Beneficiary to join such dispute as a party.

4.3 Communications

Each Party shall deliver all notices and other communications relating to this Payment Guarantee in writing to the other Party, which shall be deemed duly given upon receipt after delivery 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 to the following addresses:

FOR COMMUNICATIONS DELIVERED TO GUARANTOR:

Pattern Energy Group LP
1088 Sansome St.
San Francisco, California
94111
Attention: General Counsel

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E-mail: generalcounsel@patternenergy.com

FOR COMMUNICATIONS DELIVERED TO BENEFICIARY:

Puerto Rico Electric Power Authority
1110 Ponce de León Avenue, Office #808
San Juan, Puerto Rico
Attention: Deputy Director of Operations Office
E-mail: Mary.Zapata@prepa.com

Any Party may change its address for notices by giving written notice to the other Party as set forth above.

4.4 Banking Days

Except as otherwise provided in this Payment Guarantee, if any date on which a payment is to be made, notice is to be given or other action taken hereunder is not a Banking Day, then such payment, notice or other action shall be made, given or taken on the next succeeding Banking Day in such place, and in the case of any payment, no interest shall accrue for the delay.

4.5 Successors and Assigns

This Payment Guarantee shall bind the Guarantor and its successors and permitted assigns and inure to the benefit of the Beneficiary and its successors and permitted assigns. The Guarantor may not assign its obligations hereunder without the prior written consent of the Beneficiary. The Beneficiary may not assign its rights and obligations hereunder without the prior written consent of the Guarantor, except that the Beneficiary may, without any prior consent of the Guarantor, assign its right and obligations hereunder to any permitted assignee of the ESSA.

4.6 Guarantee for Benefit of the Beneficiary; No Third-Party Beneficiaries

The Guarantor has entered into this Payment Guarantee for the benefit of the Beneficiary. Nothing contained herein shall be intended or deemed to create any right in, or to be in whole or in part for the benefit of, any Person other than the Guarantor and the Beneficiary and their respective permitted successors and assigns.

4.7 Term

This Payment Guarantee shall enter into full force and effect on the Satisfaction of Conditions Subsequent and terminate with no further force and effect on the date on which the Company has discharged all of the Guaranteed Obligations in full (the "**Term**"). Termination of this Payment Guarantee shall not affect the Guarantor's liability hereunder as to any Guaranteed Obligations existing or arising under the ESSA prior to the effective date of such termination.

4.8 Amendments and Waivers

Any provision of this Payment Guarantee may be amended or waived if, but only if, the Parties execute and deliver such amendment or waiver in writing.

4.9 Headings

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The article and section headings of this Payment Guarantee are for convenience only and shall not affect the construction hereof.

4.10 Partial Invalidity

The invalidity of any one or more phrases, sentences, clauses or sections in this Payment Guarantee shall not affect the validity or enforceability of the remaining portions of this Payment Guarantee or any part thereof.

4.11 No Waiver, Remedies

No failure or delay by the Beneficiary in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative and not exclusive of any remedies provided by Applicable Law.

4.12 Execution in Several Counterparts

This Payment Guarantee may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

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IN WITNESS WHEREOF, the Guarantor has caused this Payment Guarantee to be executed in its name and on its behalf by its duly authorized officer as of the date first above written.

[•]

as Guarantor

By: _____

Name: [•]

Title: [•]

ACCEPTED AND AGREED BY:

PUERTO RICO ELECTRIC POWER AUTHORITY

as Beneficiary

By: _____

Name: [•]

Title: [•]