

Amended Solicitation Plan for the Purchase and Sale of Connecticut

Class I Renewable Energy Credits

from Low and Zero Emission Projects

submitted by

THE CONNECTICUT LIGHT AND POWER COMPANY DBA EVERSOURCE

ENERGY

AND THE UNITED ILLUMINATING COMPANY

Revision 1 – April 27, 2017

Amended Solicitation Plan for the Purchase and Sale of Connecticut Class I Renewable Energy Credits from Low and Zero Emission Projects

Pursuant to CGS Sections 16-244r, 16-244s, and 16-244t, (the “Energy Act”), The Connecticut Light & Power Company dba Eversource Energy (“Eversource”) and The United Illuminating Company (“UI”) (together the “Companies”) are required to procure Class I renewable energy credits (“RECs”) under fifteen (15) year contracts with owners or developers of renewable energy projects in Connecticut (the “Low and Zero Emissions Renewable Energy Credit Program,” hereinafter the “Program”). The solicitation of LRECs was conducted under CGS Section 16-244t for years 1-5 of the program, but for year 6 will be conducted under CGS Sections 16-244r and 16-244s. Due to the passage of Public Act 16-196, the base LREC funding will be unchanged from year 5 to year 6. CGS Section 16-244t expired after 5 years of LREC solicitations.

The Program targets total spending of \$1,020,000,000 utilizing the 15 year contracts. Of this spending, \$300,000,000 is to be spent on RECs purchased from renewable energy resources that produce low emissions (“LRECs”) for years one through five, and \$600,000,000 is to be spent on RECs purchased from renewable energy resources that produce zero emissions (“ZRECs”) for years one through five, and in year six, \$60,000,000 is to be spent on LRECs and \$60,000,000 is to be spent on ZRECs¹. This document sets forth the Companies’ six year plan (the “Solicitation Plan”) to procure RECs under the terms prescribed in the Energy Act.

In addition to the Solicitation Plan, the following appendices are attached to the Solicitation Plan which expand on the Solicitation Plan and provide clarification and further details pertaining to the administration of this Program. The Appendices are as follows:

- Appendix A – LREC and ZREC Funding Breakdown
- Appendix B - Form of RFP
- Appendix C - Form of Standard Contract

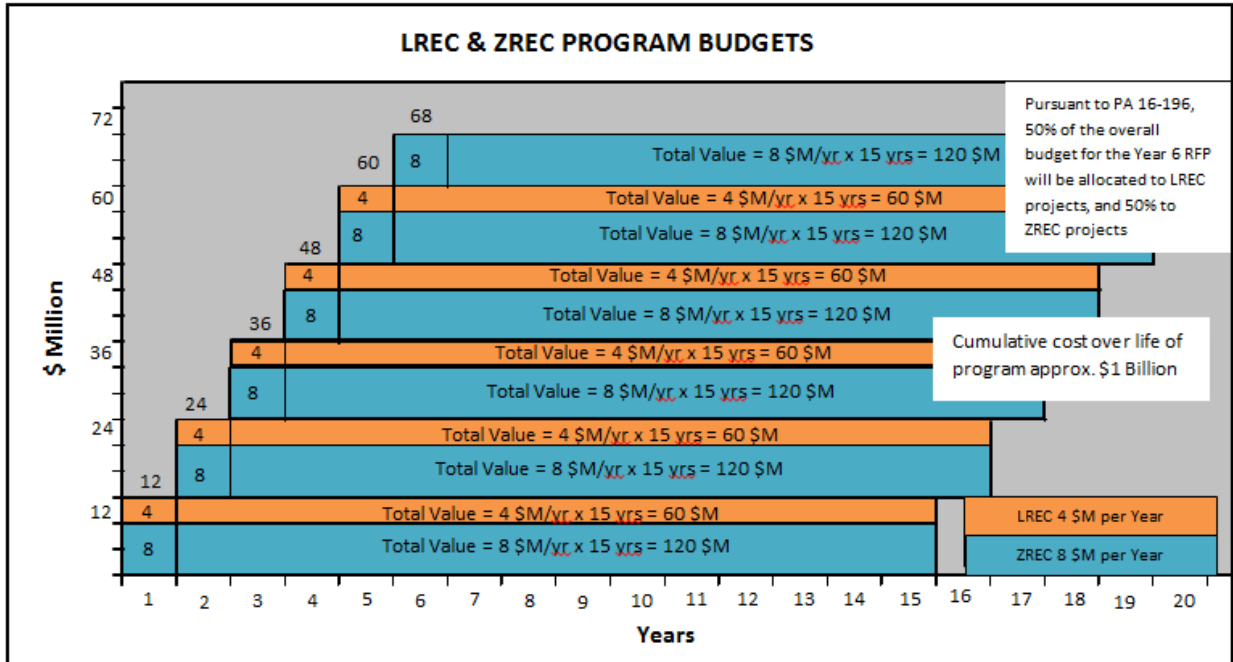
1.0 PROGRAM PARAMETERS

The Companies will enter into 15 year contracts for the purchase of LRECs and ZRECs only and no other products. The Energy Act prescribes a number of specific parameters for the Program. In addition, the Companies have added additional administrative and process details that allow the framework established in the Energy Act to function as a comprehensive and fully operational solicitation program.

¹ These are the statutory budget amounts. Actual budgets may differ due to reallocation of unused funding from prior periods.

2.0 PROGRAM FUNDING

Subject to the year 6 changes discussed below, the Companies will solicit ZRECs over a period of up to six years, and will solicit LRECs over a period of up to five years. Each year, the Companies will solicit up to \$120 million worth of ZREC contracts (\$8 million per year for 15 years) and up to \$60 million of LREC contracts (\$4 million per year for 15 years). The diagram below depicts the funding schedule for LREC and ZREC procurements.



The obligation to purchase RECs under the Program is apportioned to the Companies based on each Company's distribution load served.² The annual LREC target for years 1-5 was approximately \$3.2 million for Eversource and approximately \$0.8 million for UI. The annual ZREC target for years 1-5 was approximately \$6.4 million for Eversource and approximately \$1.6 million for UI. The annual LREC target for year 6 is approximately \$3.2 million for Eversource and approximately \$0.8 million for UI. The annual ZREC target for year 6 is approximately \$3.2 million for Eversource and approximately \$0.8 million for UI.³

The Energy Act specifies that the Companies must procure ZRECs in three size classes:

- i. projects up to 100 kW (Small);
- ii. projects over 100 kW, but Smaller than 250 kW (Medium);
- iii. projects of 250 kW – 1,000 kW (Large).

² Currently, Eversource serves approximately four times the distribution load that UI serves. Therefore, the obligation to procure RECs has been allocated approximately 80% to Eversource and 20% to UI. This allocation may change based on load changes and any such change shall be at the agreement of the Companies and will be reflected in future Solicitations.

³ These numbers are approximate, as funds leftover from previous procurements, or funds from projects that either terminated or installed smaller than their contract installed capacity, are rolled over into future procurements as applicable.

For years 1-5, the Companies will allocate the \$8 million/year in equal thirds among the three size classes for ZREC projects.⁴

A breakdown of the annual and fifteen year funding targets is depicted in Appendix A.

The Energy Act does not include a provision for payments to exceed \$8 million per year for each annual procurement of ZRECs, and specifies that the Companies may spend up to \$4 million per year for each annual procurement of LRECs in years one through five. These caps on annual spending have necessitated the use of a maximum annual contract quantity for each REC contract to ensure that total spending does not exceed the statutory limits.

Notwithstanding the other provisions hereof, for the year 6 solicitations, pursuant to Public Act 16-196, fifty percent (50%) of the ZREC budget will be allocated to new LREC projects, and the other fifty percent (50%) will be divided evenly in thirds among new Small, Medium, and Large ZREC projects. The revised Year 6 ZREC budget will be comprised of the original annual ZREC budget of \$8,000,000.00, plus any carry-over from projects that have either terminated or have been installed at a lower capacity than originally contracted in each category. Additionally, pursuant to PURA's decisions on Motions 86 and 89 in Docket 11-12-06, any uncommitted funds from the Year 4 Small ZREC budget will be reallocated to the overall year 6 budget.

3.0 PROCUREMENT METHODOLOGY

The Energy Act specifies that preference will be given to competitive bidding for Medium and Large ZREC projects, while Small ZREC projects are to receive “on an ongoing and continuous basis, a renewable energy credit offer price equivalent to the weighted average accepted bid price in the most recent solicitation for systems greater than one hundred kilowatts but less than two hundred fifty kilowatts, plus an additional incentive of ten per cent.”

The Energy Act does not set forth a specific procurement approach for LRECs. The Companies have determined that competitive bidding is the optimal approach for procuring LREC contracts, and will conduct RFPs for both Medium and Large ZRECs and LRECs.

3.1 Competitive Solicitation Process for LRECs and Medium/Large ZRECs

For years 1-5, the Companies conducted one solicitation in April of each year. If the results of the April solicitation left significant funds uncommitted in the LREC or Large/Medium ZREC categories, a second solicitation was conducted in October. Therefore, the intent was to conduct one RFP annually.

For Year 6, the Companies will issue two solicitations for LRECs and Large/Medium

⁴ The funding for Small ZREC projects will be adjusted for any excess or shortfall that remains after concluding the solicitations for Medium and Large ZREC projects.

ZRECs. The first solicitation will be issued for 60% of the available budgets for each category, and the RFP will be issued by the end of April, 2017. The second solicitation will occur after the completion of two rounds of contract selection in the April RFP, and be issued in the fall of 2017. The Companies will seek to issue the solicitation by the end of October, 2017. The second solicitation shall be issued for the remaining 40% of the original available budgets for each category, plus any remaining funds in each category from the April solicitation. In order to open the Year 6 Small ZREC tariff in a timely manner, the Companies will determine the Year 6 Small ZREC price based on the weighted average bid price of the selected Medium ZREC projects from the first 4 rounds of selection (i.e. the selected bids from the April RFP, and rounds 1 and 2 of selected bids from the fall RFP).

- 3.1.1 The joint RFP process, with separate bid evaluations per Company, will ensure consistency and administrative efficiency, as well as facilitate regulatory review.
- 3.1.2 Each bidder must submit its bid to the appropriate Company in whose service territory the project is located. Projects outside of the applicable Company's service territory are ineligible.
- 3.1.3 During each RFP, the Companies will jointly respond to bidder questions, and maintain an updated list of questions and answers on their websites.
- 3.1.4 During each RFP, the Companies will also host a bidder conference to allow for an interactive question and answer opportunity between the Companies and bidders.
- 3.1.5 Each Company will separately submit awarded contracts to PURA for approval.

3.2 Tariff Rider for Small ZRECs

Small ZREC projects' 15 year contracts will be administered through a tariff rider established for Small ZRECs in the form of a service agreement.⁵ The tariff rider will provide the payment stream for ZRECs produced by the project. Each Company will independently manage its own procurement of Small ZREC contracts.

- 3.2.1 The Companies will each make the tariff rider available to eligible project participants within 30 days after regulatory approval from PURA of the Procurement Plan for Medium and Large ZRECs. The contract price for Small ZREC projects will be based on the average price of awarded bids for Medium ZREC projects plus ten percent (10%), subject to the PURA approved price cap on an ongoing and continuous basis, subject to available funding. After each approved Procurement Plan that includes awarded bids for Medium ZRECs, the contract price will be changed for Small ZREC contracts awarded subsequent to the approval of such Procurement Plan.

⁵ The Companies will request PURA approval of the Small ZREC tariff rider and as part of that request will also include a form service agreement to the Small ZREC tariff rider, which will only become available after PURA approval of such tariff rider and associated service agreement.

- 3.2.2 The ongoing payment per REC offered for Small ZREC contracts is the average price of accepted bids for the Medium-sized ZRECs from the most recent completed solicitation plus 10%, subject to the PURA approved price cap. Once a service agreement to a tariff rider is executed, the tariff price will remain constant over the 15 year term. Each Company will maintain a tariff rider at this price level until the next solicitation process for Medium ZREC contracts is completed and the proposed Small ZREC tariff rate is filed with PURA.
- 3.2.3 Each Small ZREC contract will include a maximum annual quantity that is applicable to each of the 15 years of the contract.
- 3.2.4 The Companies will seek PURA approval of the Small ZREC tariff rider. Because Small ZREC contracts will be selected at a predetermined price under the approved tariff rider, individual PURA approval of each contract will not be necessary. The Companies will seek PURA approval of the Small ZREC tariff rider and forms of the 15 year service agreements for the purchase of ZRECs.
- 3.2.5 Each Small ZREC project contract will be subject to the same project eligibility criteria as the Medium and Large ZREC projects described in Section 4.

4.0 PROJECT ELIGIBILITY CRITERIA

- 4.1 Projects may not exceed 1,000 kW nameplate capacity⁶ for ZRECs or 2,000 kW nameplate capacity for LRECs.
- 4.2 Projects must meet the emission requirements for LRECs and ZRECs as defined in the Energy Act and must qualify as Class I renewable energy source under Conn. Gen. Stat. Sec. 16-1(a)(26).
- 4.3 Each project must be located behind the Company's revenue meter.
- 4.4 Each project must have a separate meter dedicated to the measurement of the project's energy output for the purpose of determining the quantity of Connecticut Class I RECs (the "REC Meter"), and such meter must meet the metering requirements established by NEPOOL GIS and the Company in whose service territory the project is located.
- 4.5 Projects proposed must seek and gain approval to interconnect to the contracting Company's distribution system through the standard Company interconnection process, and be metered by that Company. Projects must meet Company Guidelines for Interconnection ("Guidelines") as approved by PURA. The interconnection process is separate and distinct from the Program.

⁶ "Nameplate capacity" is defined as the aggregate nameplate rating (stated in kW AC) of all renewable generation behind a customer's revenue meter.

- 4.6 During any single solicitation, the Companies will evaluate only one proposal for any type or combination of types of qualifying LREC or ZREC technology behind any one Revenue Meter. For purposes of clarification, although projects that qualify as zero emission projects will, by default, also qualify as low emission projects, a Bidder may not submit a Bid for a Facility, or more than one Bid for the same Facility, for both LREC and ZREC consideration at the same time.⁷ The technology *or combination of technologies* at each Facility may only be submitted for one option, LREC *or* ZREC. If a Bidder wishes to submit bids for both ZREC and LREC qualified technologies behind a single revenue meter, they must have separate REC Meters, be submitted as separate bids, and be subject to individual bid review.
- 4.7 Projects may not be “split” into smaller bids, to qualify at a smaller size tier, or to allow zero emission projects over 1,000 kW, or low emission projects over 2,000 kW, to qualify.⁸ However, new additions to existing generation facilities may qualify as set forth in 4.8 below. In such case, the total onsite generation may exceed these size limits as long as the total LREC or ZREC project installed capacity does not.
- 4.8 Projects must be in service on or after July 1, 2011 to be eligible. For facilities in service prior to July 1, 2011, which have been uprated with new production equipment (i.e., new solar panels, or turbines, etc.) installed on or after July 1, 2011, the new incremental production equipment may be eligible to the extent that it has its own REC Meter that meets the requirements of Section 4.4 above, and so long as the incremental installation meets all of the eligibility criteria.
- 4.9 Projects may not receive both funding from the ZREC or LREC Program and/or grants or rebates from the Connecticut Green bank (“CT Green Bank”) or its predecessors, the Clean Energy Finance Investment Authority (CEFIA) or its predecessor the Connecticut Clean Energy Fund (CCEF). Specifically, a project which receives or has received a contract for the sale of the output of the facility to either of the EDCs or grants or rebates from the CT Green Bank, CEFIA or the CCEF for the installation or construction of any proposed project may not also seek eligibility to sell ZRECs and LRECs for the same project. This prohibition does not include (i) projects that receive(d) only predevelopment and/or feasibility funding from CEFIA, or (ii) projects that receive(d) only financing in accordance with Section 99 of the Energy Act through CEFIA. For purposes of this section, the Companies may consult with the CT Green Bank regarding the eligibility of each selected project.
- 4.10 If there is an existing ZREC agreement that was in effect as of 12/12/2016 for a project that is not in-service, additional applications/bids for a project behind the billing account number (or in the case of new construction the site address) listed on the agreement will not be allowed in future rounds of the ZREC program. For purposes of clarification, if you have a contract that was in effect as of 12/12/2016, you will be

⁷ Projects that bid as both LRECs and ZRECs will become ineligible for either LREC or ZREC solicitation.

⁸ For example, the bidder for a 180 kW zero emission project may not split that project into two 90 kW projects.

eligible to submit an additional application/bid once that project goes in-service. However, should the initial contract be terminated without the project going in-service, you will not be eligible to submit additional applications/bids in future rounds of the ZREC program. Further, the LREC statute (Conn Gen Stat. 16-244t) expired after Year 5 of the program, and purchases of RECs from LREC-qualified projects in the Year 6 solicitation are being conducted under the ZREC statute (Conn Gen Stat 16-244r & 16-244s). Thus, PURA's ruling on Motion 84 applies to the ZREC statute in its entirety. Therefore, the developer of a zero-emission project cannot bid in the LREC-qualified tier just to bypass the application of the ruling. See Authority's 12/15/16 Ruling on Motion No. 84 in Docket No. 11-12-06.

5.0 BID ELIGIBILITY CRITERIA

- 5.1 Bidder must submit a complete bid to the Company in whose territory the project is located (either Eversource or UI).
- 5.2 Bid must include a single binding offer price that is applicable to each of the fifteen (15) years of the contract, subject to the Program pricing caps.
- 5.3 Bid must include information necessary to calculate a maximum annual quantity that is applicable to each of the 15 years of the contract. In most cases, the maximum annual quantity will be calculated by the Companies. In certain cases, bidders may request or be required to provide an average annual production calculation which will be used by the Companies to calculate the modified maximum annual quantity. This modified maximum annual quantity must be supported by a calculation as determined by a Connecticut licensed Professional Engineer. See Section 2.4.2 of the RFP for details.
- 5.4 Bidder must either be the customer of record at the revenue meter, the owner of the property with consent of the customer of record at the revenue meter, or a developer authorized by the customer of record and the site owner.
- 5.5 If the bidder is not the site owner, site control must be evidenced by an affidavit stating that bidder has the right to use the site.
- 5.6 Bidder must certify that it understands and affirms the requirements, and terms and conditions of the RFP and accepts the standard contract without modification.

6.0 BID EVALUATION

- 6.1 The evaluation and selection of bids will be independently and separately performed by each Company for projects in their respective service territories.
- 6.2 The Companies will evaluate proposals based on a single fixed price considering PURA's preference for technologies manufactured, researched, or developed in Connecticut. Valid bid proposals will be ranked in order from lowest to highest price

per REC. Contracts will be awarded to the lowest price per REC proposals first and will continue until the required annual expenditure amount is met. Bids will have to include a proposed fixed price per REC, and information necessary to calculate a maximum annual quantity of RECs. The annual budget commitment will be based on the maximum annual quantity of RECs and the fixed price per REC.

- 6.3 With the exception of Small ZREC contracts, the Companies intend to use the fixed price evaluation⁹ methodology to differentiate between bids that meet threshold bid and project criteria as provided in Sections 4 and 5 of this Plan. Specifically, bids will be assessed against the threshold criteria. Bids that meet all of the threshold criteria will be evaluated in a fixed price analysis of the REC prices offered.
- 6.4. The Companies propose that bids for projects with technologies manufactured, researched or developed in the state, be discounted by 10% for evaluation purposes.¹⁰
- 6.5 Bids for Medium and Large ZREC contracts will be evaluated separately (i.e., Medium and Large ZREC bids will not compete with each other).

7.0 ZREC BID SELECTION

- 7.1 When the initial selection of a ZREC project is made, the Company will notify each bidder, as to whether its bid was selected, or whether its bid has been placed on standby in the event additional funding becomes available. Bidders may elect not to remain on standby, and instead have their bids terminated.
- 7.2 If uncommitted funds remain in the Medium and Large ZREC categories after the first solicitation is completed, the Companies will aggregate some or all of those remaining ZREC funds in an attempt to accommodate the next project in the bid stack for either of the two ZREC categories. If the aggregated funding can accommodate one or more project(s), the bid(s) will be accepted. If it cannot, the remaining funds will be rolled into the Small ZREC category for immediate availability.
- 7.5 If multiple projects within a category have submitted identical bid prices and the selection of all the identically priced bids would exceed the targeted payments, then the “stacking” of these projects (for either contract award or standby ranking purposes) will be performed using a random selection process.
- 7.6 Once the Companies select the Medium and Large ZREC projects, the bidders will be contacted and will enter into a standard contract, which will be submitted to PURA for approval.

⁹ The fixed price evaluation will include the PURA preference for technologies that were “manufactured, researched or developed” in the State.

¹⁰ For example, a \$100 bid for a project that meets the in-state criteria would be evaluated using a bid price of \$90 (even though the bidder would still receive \$100 under the contract if selected).

7.7 If a bidder with a selected project does not execute the standard contract or provide performance assurance in the time frame required in the RFP, the bid will be rejected and the dollars committed to the project will be allocated to the next lowest priced bid on standby.

8.0 LREC BID SELECTION

8.1 When the initial selection of an LREC project is made, the Company will notify bidders whether their project was selected, or whether it has been placed on standby in the event additional funding becomes available. Bidders may elect to not remain on standby, and instead have their bids terminated.

8.2 If, prior to reaching the targeted payments for LRECs, the next project in the “stack” would increase the payments to more the targeted payments for LRECs, that project will not be selected. No further projects will be selected for LRECs.

8.3 The difference between the targeted payments and the projected payments from the selected projects using the process described above will be added to the next round of procurements. This will be done to keep the projected payments for the program as close to the overall targeted payments as reasonably possible.

8.4 If multiple projects within a category have submitted identical bid prices and the selection of all the identically priced bids would exceed the targeted payments, then the “stacking” of these projects (for either contract award or standby ranking purposes) will be performed using a random selection process.

8.5 Once the Companies select the LREC projects, the bidders will be contacted and will enter into a standard contract, which will be submitted to PURA for approval.

9.0 BIDDER PERFORMANCE ASSURANCE

9.1 Performance assurance is required for all awarded LREC contracts and ZREC contracts.

9.2 The amount of performance assurance required for LREC contracts and Large ZREC contracts is equal to 20% of the maximum annual quantity of LRECs or ZRECs multiplied by the applicable LREC or ZREC purchase price.

9.3 The amount of performance assurance required for Medium ZREC contracts is equal to 10% of the maximum annual quantity of ZRECs multiplied by the ZREC purchase price.

9.4 The amount of performance assurance required for Small ZREC contracts is equal to 5% of the maximum annual quantity of ZRECs multiplied by the ZREC purchase price.

9.5 Performance assurance must be provided in the amount set forth in the applicable

contract within 10 business days of notification of contract award, which is the effective date of the Contract.

- 9.6 Failure by a bidder to provide performance assurance in support of an awarded contract will lead to automatic termination of the contract, and trigger reallocation of Program dollars.
- 9.7 Performance assurance is returned if one of the following conditions is met: i) the project enters commercial operation and begins producing energy that qualifies for the production of ZRECs and/or LRECs (as applicable); ii) termination of the Agreement for failure to receive regulatory approval satisfactory in substance to the Company; or iii) the contract is terminated due to a force majeure event.
- 9.8 Performance assurance is forfeited if the contract is terminated by the Company for an event of default, including but not limited to, the project failing to begin generating energy that will result in qualifying LRECs or ZRECs within 12 months of the selected Delivery Term Start Date. Project owners may apply for a one-time, six month extension to the automatic termination date as outlined in Section 13.3.3(b) of the Terms and Conditions.

10.0 PROGRAM ADMINISTRATION

Following the Solicitation process and PURA approval, the executed contracts will be administered in accordance with their terms and conditions. Ultimately, the contracts will result in the delivery of LRECs or ZRECs from the contracted project to the appropriate Company, and the payment for LRECs or ZRECs will be in accordance with the contract term and requirements.

- 10.1 Contract Budget Shortfalls - Any funding that remains available for contracts from the annual Medium and/or Large ZREC budgets because of a shortfall in qualifying bids in the RFP process will be added to the Small ZREC Tariff Rider program.
 - 10.1.1 If the entire budget is not contracted under the LREC or Medium and Large ZREC programs in one solicitation year or Small ZREC subscription period, any funding that remains available because eligible projects were not accepted for the full amount of the available funding will be made available for the following year's LREC or ZREC solicitation, ensuring the market has access to the full amount of funding mandated by the Energy Act, unless otherwise determined by the Companies and approved by PURA.
- 10.2 Budget Spending Shortfalls - LREC and ZREC funds that are not spent due to the underproduction of LRECs or ZRECs from contracted projects in one production year will not be rolled into a future procurement.
- 10.3 The price for individual LRECs procured by the Companies will be capped at \$200 per REC and ZRECs will be capped at \$350 per REC in the first year's

solicitation. The price cap for subsequent years' solicitations may decline. Prior to each subsequent solicitation year the Companies will submit, for PURA approval, a revised ZREC price cap (\$/REC), with a maximum decline of 7% and a minimum decline of 3% from the previous cap.

10.4 The Companies will review the LREC/ZREC process after each Solicitation year, and will determine the efficacy of the Program, and assess if changes should be made. Such changes will be submitted to PURA for approval.

11.0 PROGRAM SCHEDULE

Within 30 days of PURA approval of the Solicitation Plan, the Companies will implement a schedule substantially similar to the following:

Procurement of LRECs and Medium and Large ZRECs

Event	Anticipated Weeks from RFP Issuance
Issue RFP	<i>Date RFP Issued</i>
Bidders Conference	2
Submit Notice of Intent to Bid	2
Deadline for Submission of Questions	3
Due Date for Submission of Bidder Response Forms	5
Selection of Winning Bidders	9
Execute Contracts	11
Bidders Provide Performance Assurance	11 ¹¹
Standby Option Pursued as Needed	17
Submit Contracts for PURA Approval in the form of the "Procurement Plan"	22

In addition, within thirty (30) days of regulatory approval of the Procurement Plan by PURA, the Companies will make the Small ZREC Tariff Rider available.

After the competitive solicitation for LRECs and Medium and Large ZRECS, and the registration of Small ZRECs under the tariff rider, the Companies will administer the contracts in accordance with the processes included in the contract.

The Companies intend to conduct solicitations over a period of up to six years for ZRECs and five years for LRECs. The first RFPs were issued in early 2012, depending upon the timing of PURA’s decision on this Solicitation Plan, and the degree to which modifications are proposed to the Solicitation Plan and associated documents.

¹¹ Performance assurance is due on the Effective Date of the contract.

Appendix A: LREC and ZREC Funding Breakdown – Updated March, 2017

Below is an approximate breakdown of funding for each annual solicitation of LRECs and ZRECs:

1. Targeted Annual Procurement - Years 1-5:	
ZRECs	\$8,000,000
LRECs	\$4,000,000
Total	\$12,000,000

2. Targeted Annual Procurement - Year 6	
ZRECs	\$4,000,000
LRECs	\$4,000,000
Total	\$8,000,000

3. Targeted Procurement Over 21 Years:	
ZRECs	\$660,000,000
LRECs	\$360,000,000
Total	\$1,020,000,000

4. Procurement Allocations - Years 1-5:	
<i>Company</i>	<i>% of Overall Budget</i>
CL&P	80%
UI	20%
<i>Product</i>	<i>% of ZREC Budget</i>
Small ZRECs	33.33%
Medium ZRECs	33.33%
Large ZRECs	33.33%

5. Procurement Allocations - Year 6:	
<i>Company</i>	<i>% of Overall Budget</i>
CL&P	80%
UI	20%
<i>Product</i>	<i>% of ZREC Budget</i>
LRECs	50%
ZRECs	50%
Small ZRECs	33.33% of 50%
Medium ZRECs	33.33% of 50%
Large ZRECs	33.33% of 50%

6. Annual Procurement by Company Years 1-5:	
CL&P	\$9,600,000
UI	\$2,400,000

7. Annual Procurement by Company Year 6:	
CL&P	\$6,400,000
UI	\$1,600,000

8. Annual Procurement by Product - Years 1-5	
<i>Small ZRECs</i>	
CL&P	\$2,133,333
UI	\$533,333
<i>Medium ZRECs</i>	
CL&P	\$2,133,333
UI	\$533,333
<i>Large ZRECs</i>	
CL&P	\$2,133,333
UI	\$533,333
<i>LRECS</i>	
CL&P	\$3,200,000
UI	\$800,000

9. Annual Procurement by Product - Year 6 (which includes 50% allocation to LREC projects)	
<i>Small ZRECs</i>	
CL&P	\$1,066,667
UI	\$266,667
<i>Medium ZRECs</i>	
CL&P	\$1,066,667
UI	\$266,667
<i>Large ZRECs</i>	
CL&P	\$1,066,667
UI	\$266,667
<i>LRECS</i>	
CL&P	\$3,200,000
UI	\$800,000

10. Total Procurement by Product Over 21 Years	
<i>Small ZRECs</i>	
CL&P	\$176,000,000
UI	\$44,000,000
<i>Medium ZRECs</i>	
CL&P	\$176,000,000
UI	\$44,000,000
<i>Large ZRECs</i>	
CL&P	\$176,000,000
UI	\$44,000,000
<i>LRECS</i>	
CL&P	\$288,000,000
UI	\$72,000,000

Appendix A: LREC and ZREC Funding Breakdown – Updated March, 2017

Below is an approximate breakdown of funding for each annual solicitation of LRECs and ZRECs
for Years 1-5 only:

1. Targeted Annual Procurement:	
ZRECs	\$8,000,000
LRECs	\$4,000,000
Total	\$12,000,000

2. Targeted Procurement Over 20 Years (only for Years 1-5 of Contracts):	
ZRECs	\$600,000,000
LRECs	\$300,000,000
Total	\$900,000,000

3. Procurement Allocations:	
<i>Company</i>	<i>% of Overall Budget</i>
CL&P	80%
UI	20%
<i>Product</i>	<i>% of ZREC Budget</i>
Small ZRECs	33.33%
Medium ZRECs	33.33%
Large ZRECs	33.33%

4. Annual Procurement by Company:	
CL&P	\$9,600,000
UI	\$2,400,000

5. Annual Procurement by Product - Years 1-5	
<i>Small ZRECs</i>	
CL&P	\$2,133,333
UI	\$533,333
<i>Medium ZRECs</i>	
CL&P	\$2,133,333
UI	\$533,333
<i>Large ZRECs</i>	
CL&P	\$2,133,333
UI	\$533,333
<i>LRECS</i>	
CL&P	\$3,200,000
UI	\$800,000

6. Total Procurement by Product Over 20 Years (only for Years 1-5 of Contracts)	
<i>Small ZRECs</i>	
CL&P	\$160,000,000
UI	\$40,000,000
<i>Medium ZRECs</i>	
CL&P	\$160,000,000
UI	\$40,000,000
<i>Large ZRECs</i>	
CL&P	\$160,000,000
UI	\$40,000,000
<i>LRECS</i>	
CL&P	\$240,000,000
UI	\$60,000,000

Appendix A: LREC and ZREC Funding Breakdown – Updated March, 2017

Below is an approximate breakdown of funding for each annual solicitation of LRECs and ZRECs
for Year 6 Only:

1. Targeted Annual Procurement:	
ZRECs	\$4,000,000
LRECs	\$4,000,000
Total	\$8,000,000

2. Targeted Procurement Over 15 Years (only for Year 6 Contracts):	
ZRECs	\$60,000,000
LRECs	\$60,000,000
Total	\$120,000,000

3. Procurement Allocations:	
<i>Company</i>	<i>% of Overall Budget</i>
CL&P	80%
UI	20%
<i>Product</i>	<i>% of ZREC Budget</i>
Small ZRECs	33.33%
Medium ZRECs	33.33%
Large ZRECs	33.33%

4. Annual Procurement by Company - Year 6:	
CL&P	\$6,400,000
UI	\$1,600,000

5. Annual Procurement by Product - Year 6 (which includes 50% allocation to LREC projects)	
<i>Small ZRECs</i>	
CL&P	\$1,066,667
UI	\$266,667
<i>Medium ZRECs</i>	
CL&P	\$1,066,667
UI	\$266,667
<i>Large ZRECs</i>	
CL&P	\$1,066,667
UI	\$266,667
<i>LRECS</i>	
CL&P	\$3,200,000
UI	\$800,000

6. Total Procurement by Product Over 15 Years (only for Year 6 Contracts)	
<i>Small ZRECs</i>	
CL&P	\$16,000,000
UI	\$4,000,000
<i>Medium ZRECs</i>	
CL&P	\$16,000,000
UI	\$4,000,000
<i>Large ZRECs</i>	
CL&P	\$16,000,000
UI	\$4,000,000
<i>LRECS</i>	
CL&P	\$48,000,000
UI	\$12,000,000



Year 6

Request for Proposals

for

Low and Zero Emissions Renewable Energy Credit Program

of

The Connecticut Light and Power Company dba Eversource
Energy (“Eversource”)

and

The United Illuminating Company (“UI”)

Issue Date: April 27, 2017

EVERSOURCE AND UI RESERVE THE RIGHT TO REJECT ANY OR ALL OFFERS OR PROPOSALS

THE COMPANIES ALSO RESERVE THE RIGHT TO ANNOUNCE CHANGES TO THIS RFP BASED ON PENDING REGULATORY DECISIONS. IN THE EVENT CHANGES ARE MADE, NOTICE OF SUCH CHANGES WILL BE POSTED AND HIGHLIGHTED ON THE COMPANIES’ RESPECTIVE WEBSITES.

1 GENERAL.

- 1.1 **INTRODUCTION TO THE RFP.** The Connecticut Light and Power Company dba Eversource Energy (“Eversource”), by its agent Northeast Utilities Service Company, and The United Illuminating Company (“UI”) (each a “Company” and collectively the “Companies”), are hereby issuing this joint Request for Proposals (“RFP”) in furtherance of the “Low and Zero Emissions Renewable Energy Credit Program” (the “Program”) established pursuant to Conn. Gen. Stat. § 16-244r and 16-244s. Please note that, unlike prior RFPs, LREC bids are now being solicited under Gen. Stat. § 16-244r, and 16-244s, and not 16-244t.
- 1.2 **PROGRAM SUMMARY.** In accordance with Conn. Gen. Stat. § 16-244r and 16-244s, the Companies have developed a solicitation plan “for the purchase of renewable energy credits” produced by eligible Class I renewable energy generation projects that have zero emissions (“ZREC”), resulting in the issuance of this and subsequent RFPs. The Companies are also procuring renewable energy credits from Class I renewable energy generation projects that have low emissions (“LREC”) pursuant to Conn. Gen. Stat. § 16-244r and 16-244s¹. Section 5 of this RFP provides a description of LRECs, ZRECs, and the Program.
- 1.3 **CAPITALIZED TERMS; HEADINGS.** Capitalized terms used but not defined in the body of this RFP have the meanings given to such terms in the Standard Contract for the Purchase and Sale of Connecticut Class I Renewable Energy Credits from Low and Zero Emission Projects (“Standard Contract”²), included as Attachment 2 to this RFP. The headings to articles and sections throughout this RFP are intended solely to facilitate reading and reference to all articles, sections and provisions of this RFP, and do not affect the meaning or interpretation of this RFP or the Standard Contract.
- 1.4 **INVITATION TO BID.** You are invited to submit a proposal (“Bid”) as a bidder (“Bidder”) to be considered for selection to be awarded a long-term agreement for the purchase of LRECs or ZRECs produced by your Facility pursuant to the terms and conditions of a fully executed Standard Contract. Pursuant to applicable law and regulation, the Companies will not accept Bids in excess of \$243.48 per REC for ZRECs, or \$200 per REC for LRECs.
- 1.5 **QUALIFICATION.** To be considered for selection, a Bid must meet all of the requirements set forth in Section 4, (“Bidder Eligibility Requirements”), and adhere to the schedule and other requirements set forth in Section 2, RFP Process.
- 1.6 **EVALUATION AND AWARD CRITERIA.** Each Company will base its independent evaluation and award(s) on (i) qualified Bids, (ii) pricing, and (iii) compliance with the RFP Process.

¹ LREC bids were previously sought under Conn. Gen. Stat. § 16-244t (which has expired) prior to the passage of Public Act 16-196

² The Form of Standard Contract may be updated between the issuance of this RFP and the Standard Contract execution.

- 1.7 **PURA APPROVAL.** Any agreement entered into for the purchase of LRECs or ZRECs pursuant to this solicitation is contingent upon obtaining Regulatory Approval by the Public Utilities Regulatory Authority (“PURA”) as set forth in the Standard Contract. Pursuant to applicable Connecticut General Statutes and PURA requirements, each Company will submit required information to PURA following each Bid award. If any of the Bids and/or Standard Contracts do not meet the objectives of PURA, PURA may reject the Bid(s) and Standard Contract(s). Article 12 of the Standard Contract addresses the possibility that PURA may not approve the Bid(s), and/or Standard Contract(s), and/or individual awards.
- 1.8 **NATURE OF SOLICITATION.** The Companies will evaluate all conforming Bids, however, the Companies make no commitment to any Bidder that it will accept any Bid(s). The Companies reserve the right to discontinue the RFP process at any time for any reason whatsoever. This is a Request for Proposals and not a binding offer to contract.
- 1.9 **SMALL ZREC PROJECTS.** Small ZREC projects less than or equal to 100 kW will be eligible to receive a 15 year service agreement via a tariff, and are not included as part of this solicitation.
- 1.10 **STANDARD CONTRACT.** In the event of any inconsistency between the provisions of the Standard Contract or any other part of this RFP or RFP Process, the provisions of the Standard Contract are controlling. Bidders should review the Standard Contract thoroughly and submit their Bids based upon the terms and conditions of the Standard Contract, which will solely govern the transactions between the winning Bidders and their counterparty Company through the term of the resulting contracts.
- 1.11 **CONFIDENTIALITY.** The receiving Company agrees to treat Bids in a confidential manner and will use reasonable efforts, except as required by law or regulatory authority, not to disclose such information to any third party or use such information for any purpose other than in connection with its evaluation of Bidder’s participation in the solicitation process described herein. Bidders are hereby on notice that, subject to relevant PURA orders, all Bid submissions are subject to regulatory oversight and all Bids submitted by any Bidder may be publicly disclosed within the time periods set forth in such orders, as may any awarded contract in its entirety. The Companies suggest that Bidders familiarize themselves with the relevant orders, as these regulatory orders may change from time to time.

2 RFP PROCESS.

- 2.1 **SCHEDULE.** Attachment 1 hereto provides the schedule for this RFP (“Table 1”). The Companies, at their sole discretion, may modify the schedule at any time.
- 2.2 **BIDDER’S CONFERENCE.**³ The Companies will hold a Bidders Conference to answer questions about the RFP in accordance with the RFP Schedule. The purpose of the Bidders Conference is to provide the opportunity to clarify any aspects of the RFP.

³The Bidder’s Conference will be held as a Webinar only.

Prospective bidders may submit questions about the RFP prior to the Bidders Conference. The Companies will attempt to answer questions submitted prior to and during the Bidders Conference. While the Companies may respond orally to questions posed at the Bidders Conference, only written answers that are provided in response to written questions will be considered official responses. The Companies will post responses to Bidders' questions on their web sites following the Bidders Conference. Please see Section 6 of this RFP for contact information, including Company web sites.

2.3 **BID SUBMISSION.**

2.3.1 **Bid Forms.** Each Company will develop and maintain its own form to be used for Bid submission ("Bid Form"). Each Company's website will contain a link to such Company's Bid Form and Company-specific instructions for Bid submission. Each Company's website contains additional forms that Bidders may be required to complete. Bids are discussed in Sections 2.3.2 and 2.4 below.

2.3.2 **Submission of Bids.** Bids must be submitted in accordance with the Company-specific instructions provided on each Company's website. Bidders must comply with the instructions to ensure that their Bids are complete. In addition to completion of the Bid Form, Bidders must provide a Bid Certification Form, and may be required to provide a Connecticut Licensed Professional Engineer Certification Form, Pending Connecticut Green Bank Grant and/or Rebate Disclosure Statement, and/or an Incentive Application Denied letter from the Connecticut Green Bank certifying that they do not meet the Connecticut Green Bank's criteria as a residential dwelling for the Residential Solar Investment Program, based on the specifics of the Bid. Bidders who claim the use of technologies that are manufactured, researched or developed in Connecticut will also be required to submit affidavits, as set forth in Section 2.4.4 below. These documents are defined and explained in Section 2.4, below. Specific instructions for how to provide these additional documents may vary by Company, and are set forth in the Company-specific instructions.

To EVERSOURCE: Bids must be submitted via the Eversource website. This website can be accessed by visiting www.eversource.com → Save Money & Energy → Residential → Renewable Energy Credits

To UI: Bids must be submitted to UI in accordance with instructions to be provided on the UI website at www.uinet.com → About UI → Doing Business with UI → Power Procurement; clicking on the link to the LREC/ZREC RFP.

2.4 **BID DETAILS.** Bidders must submit their Bids by using the Bid Form, which contains the majority of the information necessary for the Companies to evaluate Bids. However, additional/supplemental information is or may be required as set forth below.

2.4.1 **“Bid Certification Form”**. This four (4) page form is mandatory. Every Bid must be accompanied by an executed Bid Certification Form, which must contain three signatures, one by the Bidder, one by the Contract Counterparty, and one by the owner of the project site. The Bid Certification Form is an integral part of the Bid, and Bids that do not include a complete and executed Bid Certification Form, including all three (3) signatures, will not be considered. Each Company’s website contains a Bid Certification Form with the Company-specific instructions as to how such form is to be submitted.

The four page Bid Certification Form consists of the following:

- Page 1 – Instructions for completion of Pages 2 through 4
- Page 2 – Bidder’s Signature, Commitment and Acceptance: By signing this page of the Certification form, the Bidder or a duly authorized representative of the Bidder is making a number of certifications, including that the information provided in the Bid is complete and accurate, and that the Bidder and the project meet the eligibility requirements set forth in this RFP as discussed in Section 4 below.
- Page 3 - Contract Counterparty’s Signature, Commitment and Acceptance: By signing this page of the Certification form, the Contract Counterparty (“Seller”) or a duly authorized representative of the Contract Counterparty is making a number of certifications, including that the Seller has reviewed the statements and certifications of the Bidder, and that such statements and certifications as applicable to the project Bid are true and accurate to the best of the Seller’s knowledge.
- Page 4 – Affidavit of Owner of the Project Site’s Notarized Signature, Commitment and Acceptance: In accordance with the March 11, 2014 letter ruling of PURA, the owner of the project site must sign this affidavit, which is required to be witnessed by a Notary Public. By signing the affidavit, the owner of the project site or a duly authorized representative of the owner of the project site is making a number of affirmations and certifications, including that the owner of the project site has reviewed the statements and certifications of the Bidder, and that such statements and certifications as applicable to the project site are true and accurate to the best of the knowledge of the owner of the project site.
- The four (4) page Bid Certification Form must be attached to the Bid as one single PDF (.pdf) file prior to submission as part of the completed Bid. Both the Bid and Bid Certification Form are submitted at the same time.

2.4.2 **“Connecticut Licensed Professional Engineer Certification”**. The Bid requires the input of information necessary to calculate a Maximum Annual

Quantity of RECs for projects that utilize Solar PV, wind, fuel cells and small hydro as technology choices. The Maximum Annual Quantity will be calculated by the Companies by multiplying the installed capacity of Bidder's project with the Connecticut specific capacity factor provided in the most recent Connecticut Integrated Resource Plan ("IRP") for the applicable project technology and including an adder of five percent (5%) to account for potential annual variations in the output of the facility. For example, a 5% adder to a 20% capacity factor results in a capacity factor of 21%, not 25%, for the purpose of calculating the Maximum Annual Quantity. If (i) a Bid is for a project that does not utilize one of the technologies listed above for which the IRP provides a capacity factor or (ii) if the Bidder seeks to qualify a different capacity factor for the project as discussed in Section 2.4.2.1 below, then a calculation by a Connecticut licensed Professional Engineer "certifying" the average annual production for its project, based on the typical facility conditions for an average year, as defined below ("PE Certification") is required. The Companies will not provide a form of PE Certification, but guidelines are provided in Sections 2.4.2.1 and 2.4.2.2. For purposes of Section 2.4.2 of this RFP, "certifying", "certify" and/or "certification" means an expression of professional opinion by a Connecticut licensed Professional Engineer regarding facts or findings that are the subject of the certification and does not constitute an express or implied warranty or guarantee. For all other provisions of this RFP, the terms "certifying", "certify" and/or "certification" have their typical and customary meanings. The Companies reserve the right to seek additional information related to a PE Certification, and to reject alternate capacity factors that are not reasonable in the Companies' sole judgment and discretion.

2.4.2.1 The Connecticut specific capacity factors from the 2014 IRP are:

- Solar PV (AC) – Fixed Tilt 16.9%
- Solar PV (AC) – Single Axis 20.8%
- Solar PV (AC) – Dual Axis 22.1%
- Wind 20.0%
- Hydro 48.4%
- Fuel Cell 90.0%

2.4.2.2 If a Bidder seeks to qualify a different capacity factor for the calculation of the Maximum Annual Quantity for its project, then such Bidder must submit a PE Certification that includes the average annual production for its project, based on the typical facility conditions for an average year. The Companies will include the 5% adder, as described in Section 2.4.2 above, in determining the final Maximum Annual Quantity to be included in the project's Standard Contract.

2.4.3 **“Pending Connecticut Green Bank Grant and/or Rebate Disclosure Statement”**. If a Bidder has applied for any type of grant, rebate or other incentive from the Connecticut Green Bank (“CT Green Bank”), or its predecessors the Clean Energy Finance and Investment Authority (“CEFIA”) or the Connecticut Clean Energy Fund (“CCEF”, and collectively “CT Green Bank”) for the project for which the Bid is applicable (excluding CT Green Bank or CEFIA financing), a summary of all pending grants and rebates must be included on the Pending CT Green Bank Grant and/or Rebate Disclosure Statement. In addition, in order to expedite the Bid review process, please disclose if there are other renewable energy projects at the project location that may have received CT Green Bank, CEFIA or CCEF funding. The Companies’ websites include the form of “Pending Connecticut Green Bank Grant and/or Rebate Disclosure Statement.” Please note that if a Bid is selected for execution of a Standard Contract with one of the Companies, and the applicable project has also been selected for grants or rebates from the CT Green Bank, and such funding has not yet been disbursed by the CT Green Bank, the Bidder must choose to either execute the Standard Contract or accept the CT Green Bank funding, but not both. A project may not receive both a CT Green Bank grant or rebate, and a contract for the purchase and sale of LRECs or ZRECs. To expedite the Bid review process, please disclose if there are other renewable energy projects at this site that may have received CT Green Bank funding.

2.4.4 **Affidavits that Project Uses Connecticut Manufactured, Researched or Developed Technologies**. Conn. Gen. Stat. § 16-244(r)(a) states that the Authority “may give a preference to contracts for technologies manufactured, researched or developed in the state.” To the extent that Bidder’s project satisfies one or more such criteria and Bidder elects to claim such preference, Bidder is required to include two affidavits with supporting description in this Form.

2.4.4.1 Bidder’s Affidavit that Project Uses Connecticut Manufactured, Researched or Developed Generation Technologies. This first affidavit must be from Bidder identifying the technology to be used and the name and address of the Connecticut company (or companies) where the Manufacturing, Research or Development was conducted. This affidavit must confirm that no less than 50% of the total value of the generation technology to be installed was or will be Manufactured, Researched or Developed in Connecticut, as such terms are defined below

2.4.4.2 Technology Supplier’s Affidavit that it Supplies Connecticut Manufactured, Researched or Developed Generation Technologies. The second affidavit must be from an officer of the Connecticut company, indicating the company’s name and address and certifying that the generation technology that the Bidder proposes to install was or will be Manufactured, Researched or Developed at its facilities in Connecticut. This affidavit must also identify the technology and confirm that no less than 50% of the value of the technology to be installed was or will be

Manufactured, Researched or Developed in Connecticut, as such terms are defined below.

2.4.4.3 The Decision in PURA Docket No. 11-12-06 (“Decision”) at page 28 defines “Manufactured” as “[T]he activity of converting or conditioning tangible personal property by changing the form, composition, quality or character of the property for ultimate sale at retail or use in the manufacturing of a product to be ultimately sold at retail. Changing the quality of property includes any substantial overhaul of the property that results in a significantly greater service life than such property would have had in the absence of such overhaul or with significantly greater functionality within the original service life of the property, beyond merely restoring the original functionality for the balance of the original service life.” The definition of “Researched or Developed” is set forth in the Decision at Page 29 and has been modified based on PURA’s April 4, 2013 letter to the Companies in Docket No. 11-12-06. As revised, the definition of “Researched or Developed” is: “(T)he activity of applying technical expertise, knowledge or understanding to investigate, discover and produce new, more beneficial or useful materials, devices, systems, methods, processes or designs, or to improve benefits of the existing materials, devices, systems, methods, processes or designs, provided however that such activity was performed on behalf of manufacturers of renewable energy technology, and where such research or development led to the manufacture of the specific component(s) for which the claim for preferential treatment is made.”

2.4.4.4 The submission of both such affidavits will result in the bid for that project being discounted by ten percent (10%) for evaluation purposes. For example, a \$100 bid for a project that meets the in-state criteria would be evaluated using a bid price of \$90; Bidder would still receive \$100 under the contract if selected as a winning Bidder.

2.4.5 **Documentation proving that the project has been denied from the Connecticut Green Bank Residential Solar Investment Program for failure to meet their residential dwelling criteria:** Pursuant to Section 6(f) of Public Act No. 16-212, Any solar project located on a property that contains or will contain any residence of a customer of an electric distribution company that is determined to meet the Connecticut Green Bank criteria as a residential dwelling for the residential solar investment program shall not be eligible for small zero-emission renewable energy credits pursuant to sections 16-244r and 16-244s or for low-emission renewable energy credits pursuant to section 16-244t. If a project is or will be located at a residential site, a copy of any and all documentation proving that the project has been denied from the Connecticut Green Bank’s Residential Solar Investment Program for failing to meet the residential dwelling criteria must be included. For Eversource, this requirement applies to any bid where the customer account has or will have a rate code of 01, 05, or 07. For UI, this requirement applies to any bid where the customer account has or will have a rate code R or RT.

3 BID EVALUATION.

3.1 The Companies will base their evaluations on pricing, with any ties to be settled through a random selection process.

3.1.1 For winning Bids, upon notification by telephone and/or electronic mail of its selection as a winning Bidder, Bidder agrees that the Pricing component(s) and Maximum Annual Quantity of its Bid(s) shall remain binding until a Standard Contract is fully executed.

3.1.2 Bids that are not selected as winning Bids may remain active on “standby”. If one or more Bidders who were awarded a contract within a category do not execute the contract or provide performance assurance as required, the next lowest cost Bid on standby may be offered a contract.

3.1.3 As provided in Section 9.1 of the Standard Contract, winning Bidder(s) must provide Performance Assurance equal to the amount indicated in the Cover Sheet by the Effective Date. The amount shall be based upon the following formulas:

- LREC projects - Twenty percent (20%) of the Maximum Annual Quantity multiplied by the Purchase Price.
- ZREC projects (large) – Same as LREC projects above.
- ZREC projects (medium) – Ten percent (10%) of the Maximum Annual Quantity multiplied by the Purchase Price.

4 BIDDER ELIGIBILITY REQUIREMENTS. All Bids must meet the following eligibility requirements set forth below. Specifically, Bids will be considered from a Qualified Bidder with respect to LRECs or ZRECs created or to be created from an Eligible Facility. Failure to meet any of these requirements could lead to disqualification of the Bid from further review and evaluation.

4.1 **RFP RESPONSE REQUIREMENTS.** To be eligible for evaluation, Bidder’s Bid must be:

4.1.1 Received by a Company prior to RFP deadline; and

4.1.2 Complete, in that all sections of the Bid Form noted as required must be filled in properly.

4.2 **SITE CONTROL.** Submission of the completed four (4) page Bid Certification Form, including the affidavit from the owner of the project site, represents site control.

4.3 **ELIGIBLE FACILITY.**

4.3.1 Bidder’s Facility must meet the eligibility requirements set forth in Section 5.3 of this RFP.

5 LREC/ZREC PROGRAM INFORMATION.

5.1 LREC DESCRIPTION.

- 5.1.1 LREC qualified projects are Connecticut generation projects, located behind Company customer revenue meters, that achieve commercial operation on or after July 1, 2011, that have emissions of no more than 0.07 pounds per MWh of nitrogen oxides, 0.10 pounds per MWh of carbon monoxide, 0.02 pounds per MWh of volatile organic compounds, and one grain per 100 standard cubic feet. LREC projects may not be larger than 2,000 kW.
- 5.1.2 Low emission projects must qualify as Connecticut Class I renewable energy sources under Conn. Gen. Stat. §16-1(a)(26).
- 5.1.3 The Companies will procure LREC contracts for qualifying projects up to 2,000 kW in size.

5.2 ZREC DESCRIPTION.

- 5.2.1 ZREC qualified projects are Connecticut generation projects, located behind Company customer revenue meters, which achieve commercial operation on or after July 1, 2011 that emit no pollutants.
- 5.2.2 Zero emission projects must qualify as Connecticut Class I renewable energy sources under Conn. Gen. Stat. §16-1(a)(26).
- 5.2.3 The Companies will procure ZREC contracts for qualifying projects pursuant to this RFP sized as follows:
 - 5.2.3.1 Medium: >100 kW and <250 kW
 - 5.2.3.2 Large: ≥ 250 kW and $\leq 1,000$ kW

5.3 PROJECT ELIGIBILITY.

- 5.3.1 Eligible projects must be located behind the Companies' customer revenue meter.
- 5.3.2 Projects proposed must seek and gain approval to interconnect to the contracting Company's distribution system through the standard Company interconnection process. Projects must meet Company Guidelines for Interconnection ("Guidelines") that have been approved by PURA. The interconnection process is separate and distinct from the Program.
- 5.3.3 Each project must have a separate meter dedicated to the measurement of the project's energy output for the purpose of determining the quantity of Connecticut Class I RECs (the "REC Meter"), and such meter must meet the metering requirements established by NEPOOL GIS and the Company whose

service territory the project is located. Bidders should note that the Companies have different metering requirements available on the respective Company's website, and Bidders should familiarize themselves with those requirements. Projects may have additional metering requirements separate and distinct from the REC Meter requirement. These additional metering requirements are not a part of the Program, and Bidders must meet all such requirements.

- 5.3.4 A bid for a single project or the aggregation of multiple projects (from multiple solicitations) behind one customer revenue meter cannot exceed 1,000 kW nameplate capacity for ZRECs or 2,000 kW nameplate capacity for LRECs. For the purpose of this Program, nameplate capacity is defined as the aggregate nameplate rating (converted, if necessary, to kW AC).
- 5.3.5 During any single solicitation, the Companies will evaluate only one proposal for any type or combination of types of qualifying LREC or ZREC technology behind any one Revenue Meter. For purposes of clarification, although projects that qualify as zero emission projects will, by default, also qualify as low emission projects, a Bidder may not submit a Bid for a Facility, or more than one Bid for the same Facility, for both LREC and ZREC consideration at the same time⁴. The technology *or combination of technologies* at each Facility may only be submitted for one option, LREC *or* ZREC. If a Bidder wishes to submit bids for both ZREC and LREC qualified technologies behind a single customer revenue meter, they must have separate REC Meters, be submitted as separate bids, and be subject to individual bid review.
- 5.3.6 Projects may not be "split" into smaller bids, to qualify at a smaller size tier, or to allow zero emission projects over 1,000 kW, or low emission projects over 2,000 kW, to qualify. For example, the bidder for a 400 kW zero emission project may not split that project into two 200 kW projects.
- 5.3.7 Bidders will be limited to one LREC and/or one ZREC Bid per revenue meter per solicitation.
- 5.3.8 Projects must be in service on or after July 1, 2011 to be eligible. For facilities built prior to July 1, 2011, which have been uprated with new production equipment (i.e., new solar panels, or turbines, etc.) installed on or after July 1, 2011, the new incremental production equipment may be eligible to the extent that it has its own REC meter that meets the requirements of Section 4.3.3 above, and so long as the incremental installation meets all of the eligibility criteria.
- 5.3.9 Bidders will each be allowed to select one of four allowed Delivery Term Start Dates specified in the form of Standard Contract for this RFP. The Delivery Term Start Date must be selected at the time of execution of the Standard Contract, and cannot be modified after being selected. The Delivery Term Start

⁴ Projects that bid as both LRECs and ZRECs will become ineligible for either LREC or ZREC solicitation.

Date does not need to be selected at the time of Bid submission, but will be required at the time of contract execution.

5.3.10 Projects that are or will be located at residential sites must not meet the Connecticut Green Bank criteria as a residential dwelling for the Residential Solar Investment Program pursuant to Section 6(f) of Public Act 16-212

5.3.11 If there is an existing ZREC agreement for a project that is not in-service that was in effect as of 12/12/2016, additional applications/bids for a project behind the billing account number (or in the case of new construction the site address) listed on the agreement will not be allowed in future rounds of the ZREC program. For purposes of clarification, if you have a ZREC contract that was in effect as of 12/12/2016, you will be eligible to submit an additional application/bid once that project goes in-service. However, should the initial contract be terminated without the project going in-service, you will not be eligible to submit additional applications/bids in future rounds of the ZREC program. See the Authority's decision on Motion No. 84 in Docket 11-12-06.

6 CODE OF CONDUCT/COMMUNICATIONS.

6.1 The evaluation of this RFP will be conducted in a manner to assure all Bidders are treated in a fair and consistent manner. The evaluation criteria and timing of the bidding process will be the same for all Bidders.

6.2 Bidder Questions:

6.2.1 The Companies will be available throughout this RFP process to receive questions. Such questions should be submitted directly to the program administrators at the following addresses and in accordance with the RFP Schedule (see Attachment 1, Table 1):

Eversource: lrec.zrec@eversource.com

UI: lrec.zrec@uinet.com

6.2.2 Responses to written questions from Bidders may be posted in a blind Question and Response format on:

Eversource: www.eversource.com → Save Money & Energy → Residential → Renewable Energy Credits

UI: www.uinet.com → About UI → Doing Business with UI → Power Procurement; clicking on the link to the LREC/ZREC RFP

6.3 Each of the Companies adheres strictly to a Code of Conduct for affiliate transactions promulgated by the PURA.

Attachment 1

TABLE 1 – RFP Schedule*

ACTION ITEM	DATE
Release of RFP	April 27, 2017
Bidders Conference – Webinar Only	May 12, 2017
Deadline for Submission of Questions	May 26, 2017
Bid Forms Due	June 8, 2017 by 1:00 p.m. (Eastern Prevailing Time “EPT”), at which time the Pricing shall become firm, irrevocable and binding.
Selection and Notification of Winning Bidders	On or about July 12, 2017
Standard Contracts Execution	After Selection and Notification of Winning Bidders. Bidders will have to return partially executed contracts by the date established by the Companies which is expected to be approximately 10 business days.
Standard Contract(s) Filed with PURA	Following selection of winning Bidder(s) and execution of Standard Contracts during each Round.
Commencement of Service	In accordance with Standard Contracts

* Pursuant to Section 2.1 of the RFP, Schedule, the Companies, at their sole discretion, may modify the schedule at any time.

Attachment 2

STANDARD CONTRACT FOR THE PURCHASE AND SALE OF CONNECTICUT CLASS I RENEWABLE ENERGY CREDITS FROM LOW AND ZERO EMISSION PROJECTS (“STANDARD CONTRACT”)

[REVISED April 27, 2017]

**STANDARD CONTRACT FOR THE PURCHASE AND
SALE OF CONNECTICUT CLASS I RENEWABLE
ENERGY CREDITS**

from

Low or Zero Emission Projects

by and between

[The Connecticut Light and Power Company

dba Eversource Energy]

[The United Illuminating Company]

and

dated as of _____

Table of Contents

COVER SHEET	1
APPENDIX A GENERAL TERMS AND CONDITIONS	4
Article 1. Definitions	4
Article 2. Term of Agreement; Delivery Term.....	11
Article 3. Facility	12
Article 4. Prerequisites for Purchases	12
Article 5. Purchase and Sale of LRECs or ZRECs	14
Article 6. Metering; Interconnection.....	16
Article 7. Quantity; Purchase Price	16
Article 8. Billing and Payment	17
Article 9. Performance Assurance	19
Article 10. Covenants, Representations and Warranties	19
Article 11. Assignment	22
Article 12. Regulatory Approval; Cost Recovery	23
Article 13. Events of Default; Remedies	23
Article 14. Notices and Contact Information	25
Article 15. Force Majeure.....	26
Article 16. Limitation of Liability.....	26
Article 17. Dispute Resolution	26
Article 18. Miscellaneous	28
Attachment 1 to Standard Contract	31

**STANDARD CONTRACT FOR THE PURCHASE AND SALE OF
CONNECTICUT CLASS I RENEWABLE ENERGY CREDITS**

COVER SHEET

This *Standard Contract for the Purchase and Sale of Connecticut Class I Renewable Energy Credits from Low and Zero Emission Projects* ("Agreement") in accordance with Conn. Gen. Stat. § 16-244(r) and 16-244(s), or 16-244(t) , as applicable, is entered into as of the following date: [_____] (the "Effective Date"). This Agreement includes this Cover Sheet together with the appendices hereto. The Parties to this Agreement are the following:

SELLER		BUYER
	<i>Party Name</i>	[The Connecticut Light and Power Company dba Eversource Energy ("Eversource")] or [The United Illuminating Company ("UI")]
_____	<i>Address</i>	[107 Selden Street] or [180 Marsh Hill Road] [Berlin, CT 06037] [Orange, CT 06477]
_____	<i>Business Website</i>	[www.eversource.com] or [www.uinet.com]
<input type="checkbox"/> US Federal _____	<i>Tax ID Numbers</i>	<input type="checkbox"/> US Federal _____
_____	<i>Jurisdiction of Organization</i>	Connecticut
<input type="checkbox"/> Corporation <input type="checkbox"/> Limited Partnership <input type="checkbox"/> LLP <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other _____	<i>Company Type</i>	<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Limited Partnership <input type="checkbox"/> LLP <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other _____

CONTACT INFORMATION		
SELLER		BUYER
ADDRESS _____ ATTN _____ TEL#: _____ FAX#: _____ EMAIL _____	<i>General</i> <i>(day to day/ administrative)</i>	ADDRESS _____ ATTN _____ TEL#: _____ FAX#: _____ EMAIL _____
ADDRESS _____ ATTN _____ TEL#: _____ FAX#: _____ EMAIL _____	<i>Contract</i>	ADDRESS _____ ATTN _____ TEL#: _____ FAX#: _____ EMAIL _____
ADDRESS _____ ATTN _____	<i>Legal Notices</i>	ADDRESS _____ ATTN _____
ADDRESS _____ ATTN _____ TEL#: _____ FAX#: _____ EMAIL _____	<i>Performance Assurance</i>	ADDRESS _____ ATTN _____ TEL#: _____ FAX#: _____ EMAIL _____

ACCOUNTING INFORMATION		
ADDRESS _____ ATTN _____ TEL#: _____ FAX#: _____ EMAIL _____	· Invoices · Payments · Settlements	ADDRESS _____ ATTN _____ TEL#: _____ FAX#: _____ EMAIL _____
BANK _____ BANK ADDRESS: _____ ABA: _____ ACCT: _____ <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS OTHER DETAILS: _____	Wire Transfer Numbers (IF APPLICABLE)	BANK _____ BANK ADDRESS: _____ ABA: _____ ACCT: _____ <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	Checks (IF APPLICABLE)	ATTN: _____ ADDRESS: _____
BANK _____ BANK ADDRESS: _____ ABA: _____ ACCT: _____ <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS OTHER DETAILS: _____	ACH Numbers (IF APPLICABLE)	BANK _____ BANK ADDRESS: _____ ABA: _____ ACCT: _____ <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS OTHER DETAILS: _____

The Parties hereby agree to the following provisions offered in Appendix A, the General Terms and Conditions. Select the appropriate box(es) and/or fill in the required information from each section:

Cover Sheet Elections	
Section 3.1 Facility Description	Facility Site/Location (including Street, City or Town)
	Customer Billing Account Number
	Technology <input type="checkbox"/> Wind <input type="checkbox"/> Solar-Fixed Tilt <input type="checkbox"/> Solar-Single Axis <input type="checkbox"/> Solar-Dual Axis <input type="checkbox"/> Hydro <input type="checkbox"/> Fuel Cell <input type="checkbox"/> Other:
	Project Size (kW) Applicable to LREC Projects only <input type="checkbox"/> Less than 2,000 kW Applicable to ZREC Projects <input type="checkbox"/> Greater than 100 kW, but less than 250 kW <input type="checkbox"/> Between 250 kW and 1,000 kW
	Installed Capacity _____ kW (AC)
Section 5.2 LREC/ZREC Product	<input type="checkbox"/> Zero Emissions Class I RECs ("ZREC") <input type="checkbox"/> Low Emissions Class I RECs ("LREC")
Section 6.2 Interconnecting Utility	[Eversource Energy] or [The United Illuminating Company]

Section 7.1 Maximum Annual Quantity	_____ Maximum Annual Quantity LRECs/ZRECs
Section 7.4 Purchase Price	\$ _____ per LREC or ZREC, as elected above in Section 5.2
Section 9.1 Performance Assurance (amount)	_____ (amount)
Section 10.3.5 Facility Uses Connecticut Manufactured, Researched or Developed Technologies	<input type="checkbox"/> Manufactured <input type="checkbox"/> Researched <input type="checkbox"/> Developed <input type="checkbox"/> N/A
Section 2.2 Delivery Term Start Date	<input type="checkbox"/> January 1, 2018 <input type="checkbox"/> April 1, 2018 <input type="checkbox"/> July 1, 2018 <input type="checkbox"/> October 1, 2018

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

	<i>Party Name</i>	[The Connecticut Light and Power Company dba Eversource Energy by Eversource Energy Service Company, its authorized agent] or [The United Illuminating Company]
	<i>Signature</i>	
	<i>Printed Name</i>	
	<i>Title</i>	

**STANDARD CONTRACT FOR THE PURCHASE AND SALE OF
CONNECTICUT CLASS I RENEWABLE ENERGY CREDITS**

**APPENDIX A
GENERAL TERMS AND CONDITIONS**

These General Terms and Conditions are intended to facilitate the purchase and sale of Connecticut Class I Renewable Energy Credits ("RECs") in accordance with Conn. Gen. Stat. § 16-244(r) and 16-244(s), or 16-244(t), as applicable.

Article 1. Definitions

As used throughout this Agreement, the following terms shall have the definitions set forth in this Article 1. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the ISO Documents.

- 1.1 **"Affiliate"** means, with respect to any Party, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Party. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.
- 1.2 **"Agreement"** means this Standard Contract for the Purchase and Sale of LRECs or ZRECs.
- 1.3 **"Authority"** means the Connecticut Public Utilities Regulatory Authority or any successor thereto.
- 1.4 **"Authorized Developer"** means a developer that has the written permission of both the site owner and the Buyer's distribution customer of record of the site to develop an eligible Facility at said site.
- 1.5 **"Bankrupt"** means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.
- 1.6 **"Bankruptcy Code"** means those laws of the United States of America related to bankruptcy codified and enacted as Title 11 of the United States

Code, entitled “Bankruptcy” and found at 11 U.S.C. § 101 et seq., as such laws may be amended, modified, replaced or superseded from time to time.

- 1.7 **“Business Day”** means a day on which Federal Reserve member banks in New York City are open for business; and a Business Day shall start at 8:00 a.m. and end at 5:00 p.m. Eastern Prevailing Time. Notwithstanding the foregoing, with respect to notices only, Business Day shall not include the Friday immediately following the U.S. Thanksgiving holiday.
- 1.8 **“Connecticut Class I Renewable Energy Credits”** means certain NEPOOL GIS Certificates and any and all other Environmental Attributes derived from the energy production of a generation facility that has been qualified by the Authority as a Connecticut Class I renewable resource under Conn. Gen. Stat. § 16-1(a)(26), and shall represent title to and claim over all Environmental Attributes associated with the specified MWh of generation from such Connecticut Class I renewable resource. If the Facility ceases to qualify as a Connecticut Class I renewable resource solely as a result of a change in law and Seller is unable, using commercially reasonable efforts, to continue the Facility’s qualification as a Connecticut Class I renewable resource after that change in law, “Connecticut Class I Renewable Energy Credits” shall mean Environmental Attributes including any certificates or credits related thereto reflecting generation by the Facility, all of which shall be transferred solely to Buyer.
- 1.9 **“Connecticut Class I RPS Qualification”** means an order, decision or ruling from the Authority that qualifies a generation unit as a RPS Class I Renewable Energy Source, or that qualifies a portion of the annual electrical energy output of a generation unit as RPS Class I Renewable Generation (as defined in Conn. Gen. Stat. § 16-1(a)(26).
- 1.10 **“Contract Year”** means the twelve (12) consecutive calendar months starting on the Delivery Term Start Date and each subsequent twelve (12) consecutive calendar month period.
- 1.11 **“Credit Rating”** means the rating then assigned to Seller’s or any referenced third party’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if Seller or such third party does not have a rating for its senior unsecured long-term debt, then one rating notch below the rating then assigned to Seller or such third party as an issuer and/or corporate credit rating by S&P, Moody’s, Fitch or another Rating Agency. In the event of an inconsistency in ratings (a “split rating”), the lowest of the Credit Ratings shall control.
- 1.12 **“Defaulting Party”** has the meaning set forth in Section 13.1.

- 1.13 **“Deliver,” “Delivered” or “Delivery”** means the transfer and receipt of Connecticut Class I Renewable Energy Credits via the NEPOOL GIS.
- 1.14 **“Delivery Term”** means the period during which Buyer is obligated to purchase the LRECs or ZRECs associated with the Facility that are Delivered to Buyer by Seller, as further defined in Section 2.2.
- 1.15 **“Delivery Term Start Date”** has the meaning set forth in Section 2.2.
- 1.16 **“Effective Date”** has the meaning set forth in the first paragraph of the Cover Sheet.
- 1.17 **“Energy Act”** means Conn. Gen. Stat. § 16-244(r) and 16-244(s), or 16-244(t) as applicable.
- 1.18 **“Environmental Attributes”** excludes electric energy and capacity produced, but means any other emissions, air quality, or other environmental attribute, aspect, characteristic, claim, credit, benefit, reduction, offset or allowance, howsoever entitled or designated, resulting from, attributable to or associated with the generation of energy by a low emissions or zero emissions renewable energy facility as defined in the Energy Act, whether existing as of the Effective Date or in the future, and whether as a result of any present or future local, state or federal laws or regulations or local, state, national or international voluntary program, as well as any and all generation attributes under the Connecticut RPS regulations and under any and all other international, federal, regional, state or other law, rule, regulation, bylaw, treaty or other intergovernmental compact, decision, administrative decision, program (including any voluntary compliance or membership program), competitive market or business method (including all credits, certificates, benefits, and emission measurements, reductions, offsets and allowances related thereto) that are attributable, now or in the future; and further, means: (a) any such credits, certificates, benefits, offsets and allowances computed on the basis of the Facility’s generation using renewable technology or displacement of fossil-fuel derived or other conventional energy generation; (b) any Certificates issued pursuant to the NEPOOL GIS in connection with energy generated by the Facility; and (c) any voluntary emission reduction credits obtained or obtainable by Seller in connection with the generation of energy by the Facility; provided, however, that Environmental Attributes shall not include: (i) any production tax credits; (ii) any investment tax credits or other tax credits associated with the construction or ownership of the Facility; or (iii) any state, federal or private grants relating to the construction or ownership of the Facility or the output thereof. If during the Delivery Period, a change in laws or regulations occurs that creates value in Environmental Attributes, then at Buyer’s request, Seller shall cooperate with Buyer to register such Environmental Attributes

or take other action necessary to obtain the value of such Environmental Attributes for Buyer.

- 1.19 **“Event of Default”** has the meaning set forth in Sections 13.1 and 13.2 hereof.
- 1.20 **“Facility”** has the meaning set forth in Article 3, Facility.
- 1.21 **“Federal Funds Effective Rate”** means the interest rate as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.
- 1.22 **“Fitch”** means Fitch Investor’s Service, Inc., or its successor.
- 1.23 **“Force Majeure Event”** means any cause beyond the reasonable control of, and not due to the fault or negligence of, the affected Party and which could not have been avoided by the affected Party's reasonable due diligence, or was not caused by the affected Party, including, as applicable, war, terrorism, riots, embargo or national emergency; curtailment of electric distribution services; fire, flood, windstorm, earthquake, or other acts of God; strikes, lockouts, or other labor disturbances (whether among employees of Seller, its suppliers, contractors, or others); delays, failure, and/or refusal of suppliers to supply materials or services; orders, acts or omissions of the NEPOOL GIS Administrator, as applicable; or any other cause of like or different kind, beyond the reasonable control of Seller. Notwithstanding the foregoing, a Force Majeure Event shall not be based on Seller's ability to sell LRECs or ZRECs at a price greater than the Purchase Price, Buyer's ability to purchase LRECs or ZRECs at a price below the Purchase Price, or Purchaser's inability to resell the LRECs or ZRECs.
- 1.24 **“Forward Certificate Transfer”** means the NEPOOL GIS process by which the transfer of RECs as of their applicable Creation Date is scheduled by the Account Holders in advance of said Creation Date ("Forward Certificates") per the NEPOOL GIS Operating Rules, as amended from time to time.
- 1.25 **“Good Utility Practice”** means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric generation industry with respect to producing electricity from the Facility. Good Utility Practice shall also include any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been reasonably expected to accomplish the desired result at a reasonable cost. Such practices, methods and acts must comply fully with applicable laws and regulations, good business

practices, economy, reliability, safety, environmental protection, and expedition, having due regard for current editions of the National Electrical Safety Code and other applicable electrical safety and maintenance codes and standards, and manufacturer's warranties and recommendations. Good Utility Practice are not intended to be the optimum practice, method, or act to the exclusion of all others, but rather to be a spectrum of acceptable practices, methods, or acts generally accepted in the electrical generation industry in the United States.

- 1.26 **“In-Service Date”** means the date on which (i) Seller provides notice to Buyer that the Facility is in service and the Facility is capable of regular commercial operation and (ii) Buyer accepts such declaration. Seller shall provide Buyer with notice of the actual In-Service Date, as well as a final description of the Facility including its size, Installed Capacity, and final Maximum Annual Quantity (if necessary to adjust downwards per Section 3.3.2).
- 1.27 **“Interconnecting Utility”** means the utility (which shall be Buyer) providing interconnection service for the Facility to the distribution system of that utility.
- 1.28 **“Interconnection Agreement”** means an agreement with the Interconnecting Utility regarding the interconnection of the Facility to the electric distribution system of the Interconnecting Utility, as the same may be amended from time to time.
- 1.29 **“Interest Rate”** means, for any date, the Federal Funds Effective Rate; provided, that in no event shall the applicable interest rate ever exceed the maximum lawful rate permitted by applicable law.
- 1.30 **“ISO Documents”** means the ISO Tariff, Participants Agreement, RNA, and/or ISO New England Manuals, as applicable.
- 1.31 **“ISO New England Inc.”** or **“ISO”** or **“ISO-NE”** means the independent system operator established in accordance with the RTO arrangements for New England, or any successor thereto.
- 1.32 **“ISO New England Manuals”** means the manuals that ISO-NE issues explaining rules and procedures for the region's wholesale electric power markets and bulk power system, including ISO Tariff, as they may be amended from time to time.
- 1.33 **“ISO Tariff”** means the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, as may be amended from time to time, or any successor tariff accepted by FERC.

- 1.34 **“kW”** means a kilowatt.
- 1.35 **“kWh”** means a kilowatt-hour.
- 1.36 **“LREC”** means a Connecticut Class I Renewable Energy Credit from a low emissions facility which meets the low emissions standards as defined in the Energy Act. One (1) LREC shall represent one megawatt hour of energy production.
- 1.37 **“LREC/ZREC Product”** has the meaning set forth in Section 5.2.
- 1.38 **“LREC/ZREC Project”** means a renewable energy project capable of producing LRECs or ZRECs.
- 1.39 **“Maximum Annual Quantity”** means the maximum number of LRECs or ZRECs that Buyer is obligated to purchase in any Contract Year under this Agreement.
- 1.40 **“Meters”** means all electric metering associated with the Facility, including the REC Meter, Facility meter and any other real-time meters, billing meters and back-up meters.
- 1.41 **“Moody’s”** means Moody’s Investors Service or its successor.
- 1.42 **“MWh”** means megawatt-hour, and one MWh shall equal 1,000 kWh.
- 1.43 **“NEPOOL”** means the New England Power Pool, the power pool created by and operated pursuant to the provisions of the RNA, or any successor to the New England Power Pool.
- 1.44 **“NEPOOL GIS”** means the New England Power Pool Generation Information System or any successor thereto, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, which accounts for the generation attributes of electricity generated within New England.
- 1.45 **“NEPOOL GIS Certificate”** means an electronic record produced by the NEPOOL GIS that identifies the relevant generation attributes of each MWh accounted for in the NEPOOL GIS.
- 1.46 **“NEPOOL GIS Operating Rules”** means the New England Power Pool Generation Information System Operating Rules as may be amended from time to time pursuant to the NEPOOL Agreement and Participants Agreement.
- 1.47 **“Non-Defaulting Party”** has the meaning set forth in Section 13.3.1.

- 1.48 **“Participants Agreement”** means the “Participants Agreement among ISO New England Inc. as the Regional Transmission Organization (“RTO”) for New England and the New England Power Pool and the entities that are from time to time parties hereto constituting the Individual Participants” dated as of February 1, 2005, as may be amended from time to time, or any successor thereto accepted by the Federal Energy Regulatory Commission (“FERC”).
- 1.49 **“Performance Assurance”** means collateral in the form of cash, or other security as may be acceptable to Buyer in its sole discretion. Cash collateral held by Buyer shall earn interest at the Interest Rate. In addition, Performance Assurance shall be deemed, for all legal purposes, to mean adequate assurance as such term is used in the Uniform Commercial Code (“UCC”) and the Bankruptcy Code and amendments thereto. The Parties specifically recognize that the use of Performance Assurance throughout this Agreement shall not limit any legal right, action or remedy that would have otherwise been available to the aggrieved Party under either the UCC or Bankruptcy Code.
- 1.50 **“Purchase Price”** means the purchase price for the LRECs or ZRECs referenced in the Cover Sheet.
- 1.51 **“Qualified Institution”** means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with (i) a Credit Rating of at least (a) “A” by S&P and “A2” by Moody’s, if such entity is rated by both S&P and Moody’s or (b) “A” by S&P or “A2” by Moody’s, if such entity is rated by either S&P or Moody’s but not both, and (ii) having a capital surplus of at least Ten Billion Dollars (\$10,000,000,000). In the event of an inconsistency in the ratings (a “split rating”), the lowest Credit Rating shall control.
- 1.52 **“REC Meter”** means as defined in Section 6.1.
- 1.53 **“RNA”** means the Second Restated NEPOOL Agreement dated as of September 1, 1971, as amended and restated from time to time, governing the relationship among the NEPOOL Participants, and any successor agreement.
- 1.54 **“Rating Agency”** means S&P, Moody’s, Fitch or an equivalent organization acceptable to Buyer.
- 1.55 **“Regulatory Approval”** means the approval of this Agreement by the Authority and such approval is final and not subject to appeal.
- 1.56 **“Renewable Portfolio Standard”** or **“RPS”** means the regulations promulgated pursuant to Conn. Gen. Stat. §16-245a, as amended, modified,

restated and superseded from time to time, that require a minimum percentage of electricity sold to end-use customers in the State of Connecticut to be derived from certain renewable energy generating resources.

- 1.57 **“RPS Class I Renewable Energy Source”** means a generation unit that has received a Connecticut Class I RPS Qualification from the Authority, pursuant to Conn. Gen. Stat. § 16-1(a)(26).
- 1.58 **“S&P”** means Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. and its successors.
- 1.59 **“Tax” or “Taxes”** means all taxes that are currently or may in the future be assessed on any products or services that are the subject of this Agreement.
- 1.60 **“Term”** has the meaning set forth in Section 2.1.
- 1.61 **“Trading Period”** has the meanings set forth in Rule 3.2 of the NEPOOL GIS Operating Rules.
- 1.62 **“Unit Contingent”** means that the LRECs or ZRECs are intended to be supplied from the Facility and Seller's failure to deliver is excused to the extent the Facility will not be available to produce and Deliver the purchased LRECs or ZRECs.
- 1.63 **“ZREC”** means a Connecticut Class I Renewable Energy Credit from a zero emissions facility which meets the zero emissions standards as defined in the Energy Act. One (1) ZREC shall represent one megawatt hour of energy production.

Article 2. Term of Agreement; Delivery Term

- 2.1 **Term of Agreement.** This Agreement shall commence as of the Effective Date and shall remain in effect through the final settlement of all obligations hereunder after the expiration of the Delivery Term or the earlier termination of this Agreement in accordance with its terms (the “Term”).
- 2.2 **Delivery Term.** The Delivery Term shall commence on the Delivery Term Start Date as provided on the Cover Sheet and continue for a period of fifteen (15) years, unless this Agreement is earlier terminated in accordance with the provisions hereof. Seller understands and agrees that under no circumstances shall the Delivery Term be extended beyond such fifteen year period from the Delivery Term Start Date, irrespective of any delays in LREC or ZREC deliveries, whether or not due to one or more Force Majeure Events, even if such delay(s) result in initial Delivery under this agreement that is

subsequent to the Delivery Term Start Date. Further, the production and Delivery of qualified LRECs or ZRECs shall not occur prior to the Delivery Term Start Date, even if the Facility produces energy prior to the Delivery Term Start Date. Buyer is not obligated to purchase any Connecticut Class I Renewable Energy Credits connected with energy produced by the Facility prior to the Delivery Term Start Date, or after the end of the Delivery Term.

Article 3. Facility

- 3.1 **Description.** The Facility is as described in the “Facility” section of the Cover Sheet.
- 3.2 **Construction.** Seller shall construct the Facility substantially as described in the Cover Sheet.
- 3.3 **Facility In-Service Date; Final Facility Size.** Seller shall provide notice to Buyer of the In-Service Date and final Facility size within ten (10) Business Days of the commencement of energy production. The final Facility size shall be based on the Facility’s as-built configuration. If final Facility size differs from original description as set forth in the Cover Sheet:
- 3.3.1 Any increase that results in a Facility size behind the Revenue Meter that exceeds statutory maximum limits for an LREC or ZREC project, as applicable, shall result in immediate and automatic termination of this Agreement.
 - 3.3.2 Any decrease in final Facility size shall be reflected in an adjustment to Section 7.1 of the Cover Sheet. The Maximum Annual Quantity will be reduced from the value in Section 7.1 of the Cover Sheet proportionally to the decrease in the Installed Capacity of the Facility as set forth in Section 3.1 of the Cover Sheet (e.g., if the Installed Capacity is reduced by twenty percent (20%), then the Maximum Annual Quantity will also be reduced by twenty percent (20%)).

Article 4. Prerequisites for Purchases

- 4.1 Buyer's obligation to begin the purchase of LRECs or ZRECs, as elected on the Cover Sheet, from Seller at the rates of payment specified in the Cover Sheet is contingent upon the satisfaction of all of the following conditions:
- 4.1.1 Seller is either (i) a distribution customer of record of Buyer with project site control, (ii) owner of the project site with permission of the

distribution customer of record of the Buyer, or (iii) Authorized Developer;

- 4.1.2 Buyer has received evidence to its reasonable satisfaction that Seller has met the requirements of Section 4.1.1;
- 4.1.3 Buyer has received evidence to its reasonable satisfaction that the Facility's In-Service Date has occurred, or will occur, after July 1, 2011;
- 4.1.4 Seller has demonstrated that Facility is located on the customer side of the revenue meter and is interconnected to the distribution system of Buyer;
- 4.1.5 The Facility has a fully executed Interconnection Agreement;
- 4.1.6 Seller has provided Performance Assurance that satisfies the requirements of Section 9.1 and in an amount that is no less than the Performance Assurance amount listed in the Cover Sheet;
- 4.1.7 Buyer has received Regulatory Approval.
- 4.1.8 Seller has provided certification that no grants or rebates have been received from the Connecticut Green Bank or either of its predecessors the Clean Energy Finance and Investment Authority ("CEFIA") or the Connecticut Clean Energy Fund ("CCEF"). For purposes of clarification, this prohibition includes grants or rebates from CEFIA or the CCEF for the installation or construction of the Facility, but does not include projects that receive(d) (i) only predevelopment and/or feasibility funding from Connecticut Green Bank, or (ii) financing in accordance with Conn. Gen. Stat. § 16-245(n) through Connecticut Green Bank. For purposes of this section, the Companies may consult with Connecticut Green Bank regarding the above grants or rebates as they may be applicable to the Facility.
- 4.1.9 Seller has provided notice in a form acceptable to Buyer at its sole discretion, certifying: (a) that generation from the Project that will result in a qualifying LREC or ZREC has begun, (b) the name of the Project as it will appear on the LRECs or ZRECs, (c) the date that initial LREC or ZREC deliveries to Buyer under this Agreement are expected, (d) the Facility, as constructed, meets all of the low emission or zero emission (as applicable) generation facility requirements of the Energy Act, and (e) the final Facility size.
- 4.1.10 If Seller's Facility has been awarded this Agreement based, in part, on its use of Connecticut manufactured, researched or developed

technologies as defined in Section 10.3.5 of this Agreement, Seller has provided an affidavit and accompanying proof that it has installed such Connecticut manufactured, researched or developed technologies.

4.1.11 The Delivery Term Start Date has occurred.

Article 5. Purchase and Sale of LRECs or ZRECs

5.1 Obligation to Purchase and Sell LRECs or ZRECs.

5.1.1 Beginning on the date of Seller's satisfaction of all Article 4 pre-requisites, Seller shall sell and Deliver, and Buyer shall purchase and receive, up to the Maximum Annual Quantity of LRECs or ZRECs, in accordance with the terms and conditions of this Agreement. Buyer shall be obligated to purchase only those LRECs or ZRECs associated with the Energy that is generated by the Facility on and after the satisfaction of all Article 4 pre-requisites and continuing through the remainder of the Delivery Term.

5.1.2 In addition to Seller's sale and Buyer's purchase of LRECs or ZRECs, Buyer, without the payment of any additional consideration to Seller, shall receive title to, and Seller shall convey to Buyer, any and all other Environmental Attributes associated with the electricity generated by the Facility.

5.1.3 Seller shall Deliver LRECs or ZRECs associated with the Facility, up to the Maximum Annual Quantity, exclusively to Buyer, and Seller shall not sell, divert, grant, transfer or assign such LRECs or ZRECs to any person other than Buyer during the Term unless otherwise specifically provided herein. Seller shall not enter into any agreement or arrangement under which any person other than Buyer can claim such LRECs or ZRECs except as otherwise specifically provided herein. Buyer shall have the exclusive right to resell or convey LRECs or ZRECs in its sole discretion.

5.1.4 Seller shall comply with all NEPOOL GIS Operating Rules relating to the creation and transfer of all LRECs or ZRECs to be purchased by Buyer under this Agreement and all other NEPOOL GIS Operating Rules to the extent required for Buyer to obtain full rights and title of the LRECs or ZRECs.

5.1.5 Seller shall be solely responsible for qualifying the Facility with the Authority as a RPS Class I Renewable Energy Source in accordance with Conn. Gen. Stat. § 16-1(a)(26) and maintaining such Connecticut Class I RPS Qualification throughout the Delivery Term; provided,

however, that if the Facility ceases to qualify as a RPS Class I Renewable Energy Source solely as a result of a change in law, Seller shall only be required to use commercially reasonable efforts to maintain such qualification after that change in law. Seller shall provide Buyer with any information that may be required by Buyer in order to facilitate receipt of LRECs or ZRECs from the Facility. In addition, the Facility must meet the emission standards for LRECs or ZRECs, as elected on the Cover Sheet.

- 5.1.6 If the statutory and/or regulatory framework governing LRECs and/or ZRECs in effect as of the Effective Date is amended or suspended by any Governmental Authority and/or is otherwise no longer in force (collectively, a "Change" in the regulatory framework), Buyer may choose to qualify the Facility in another state or federal program, whether for renewable energy certificates or other Environmental Attributes, and Seller shall at such time provide to Buyer any documentation and other support as may be needed for such qualification. If during the Delivery Period a change in Connecticut laws or regulations occurs that creates value in Environmental Attributes, then at Buyer's request, Seller shall cooperate with Buyer to register such Environmental Attributes or take other action necessary to obtain the value of such Environmental Attributes for Buyer. "Governmental Authority" means the federal government, any state or local government or other political subdivision thereof (whether federal, state or local), any court and any administrative agency or other regulatory body, instrumentality, authority or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.
- 5.1.7 For purposes of clarification, Buyer shall not purchase, or take title to, any energy or capacity from Seller's Facility under this Agreement. This Agreement shall not provide the basis for any preferential treatment for any other products or services between the Parties. This Agreement also makes no provision for net metering by the Seller's Project.
- 5.2 **LREC/ZREC Product.** Buyer shall purchase from Seller the LREC/ZREC Product elected on the Cover Sheet, in accordance with the provisions of this Agreement.
- 5.3 **Delivery; Title Transfer.** Delivery shall be deemed to occur upon the completion of the transfer and receipt of LRECs or ZRECs via the NEPOOL GIS to Buyer's account within the NEPOOL GIS. For each Trading Period for LRECs or ZRECs purchased and sold under this Agreement during the Term, Seller shall affect the transfer of the purchased amount of Connecticut

Class I RECs as a Forward Certificate Transfer to Buyer (or by other means as agreed to by Buyer) in accordance with the NEPOOL GIS Operating Rules. Upon the completion of Delivery, all rights, title and interest in and to, and risk of loss with respect to, the Connecticut Class I RECs, to the full extent the same is property, will transfer to Buyer.

Article 6. Metering; Interconnection

- 6.1 **Metering.** The Facility must be located behind a revenue meter of one of the Buyer's distribution customers. The Facility must have a separate meter dedicated to the measurement of the Facility's energy output for the determination of the quantity of LRECs or ZRECs created (the "REC Meter"). The REC Meter shall be installed, operated, maintained and tested in accordance with Good Utility Practice, NEPOOL GIS requirements, and any applicable requirements and standards issued by the Interconnecting Utility. Seller shall comply with the terms and conditions of the Interconnecting Utility's tariff for all other metering required of the Project. Seller shall be responsible for all costs associated with such metering consistent with all standards and requirements set forth by the Interconnecting Utility.
- 6.2 **Interconnection Agreement.** This Agreement does not provide for the interconnection of the Facility to Buyer's electric distribution system. Seller shall seek such interconnection service from the Interconnecting Utility in accordance with the Interconnecting Utility's applicable interconnection process. Seller shall comply with the terms and conditions of the Interconnection Agreement. Seller shall be responsible for all costs and expenses associated with the interconnection of the Facility consistent with all standards and requirements set forth by the Interconnecting Utility.

Article 7. Quantity; Purchase Price

- 7.1 **Quantity.** During each Contract Year, Seller shall sell and deliver to Buyer, and Buyer shall purchase and accept delivery of, the quantity of LRECs or ZRECs produced by the Facility, if any, during each such Contract Year, up to, but not in excess of, the Maximum Annual Quantity of LRECs or ZRECs indicated on the Cover Sheet.
- 7.2 **Excess LRECs or ZRECs – Sale and Purchase in Current Contract Year.** If the Facility produces LRECs or ZRECs in excess of the Maximum Annual Quantity, Buyer at its sole discretion may offer to purchase, but is under no obligation to offer to purchase, such excess up to the total of such excess LRECs or ZRECs at the Purchase Price and Seller may accept such offer but is under no obligation to sell such excess to Buyer. Seller may offer

to sell any RECs in excess of the Maximum Annual Quantity to persons other than Buyer.

- 7.3 **Excess LRECs or ZRECs – Sale and Purchase in Subsequent Contract Year.** During the first fourteen (14) years of the Delivery Term, Seller may elect to transfer LRECs or ZRECs produced by the Facility in excess of the Maximum Annual Quantity to Buyer for billing and payment in the subsequent Contract Year at the Purchase Price. If the Facility produces LRECs or ZRECs in excess of the Maximum Annual Quantity during a Contract Year, and Buyer does not offer to purchase such LRECs or ZRECs in accordance with Section 7.2 during such Contract Year, Seller may elect to transfer such excess LRECs or ZRECs to Buyer's NEPOOL GIS account, and apply them against production for the subsequent Contract Year, subject to the subsequent Contract Year's Maximum Annual Quantity. Seller must notify Buyer of this election twenty (20) Business Days prior to the transfer of such excess LRECs or ZRECs. Seller shall invoice Buyer for excess LRECs or ZRECs transferred to Buyer under this Section 7.3, which charge shall be included on the next invoice generated during the subsequent Contract Year. Buyer will deduct the excess LRECs or ZRECs purchased from the subsequent Contract Year's Maximum Annual Quantity. In no event shall Buyer be required to purchase LRECs or ZRECs in excess of the Maximum Annual Quantity during any Contract Year. For avoidance of confusion, the following example is provided: If a developer with a Maximum Annual Quantity of 100 LRECs produces 110 LRECs in Contract Year 1 and such Seller elected and properly notified Buyer of its intent to transfer the excess 10 LRECs to Buyer for payment in Contract Year 2, Buyer would pay for 100 LRECs in Contract Year 1, in accordance with the normal invoicing cycle, and pay for the extra 10 LRECs in Contract Year 2. However, those 10 LRECs would be applied against Seller's Maximum Annual Quantity of 100 LRECs for Contract Year 2, leaving only ninety (90) additional LRECs to be purchased by Buyer during Contract Year 2.

- 7.4 **Purchase Price.** LRECs or ZRECs produced by the Facility and Delivered into the Buyer's NEPOOL GIS account shall be purchased by the Buyer at the rates shown in the Purchase Price section of the Cover Sheet.

Article 8. Billing and Payment

- 8.1 **Payment.** Payment for any LRECs or ZRECs Delivered in accordance with Section 5.3 of this Agreement shall be made by Buyer to Seller on or before the last day of the month following the month of LREC or ZREC receipt in accordance with Section 5.3 (or in either event the next Business Day if such day is not a Business Day).

- 8.2 **Disputes.** If either Party disputes the amount paid to it by the other Party, it shall so notify the other Party in writing and such disputed amount shall be withheld by such other Party pending resolution of the dispute. Any undisputed amounts shall be paid when due. The paying Party shall be responsible to pay interest on any withheld amounts that are determined to have been properly billed, which interest shall be calculated in the same manner as interest on late payments under Section 8.5. Neither Party shall have the right to challenge any monthly bill nor to bring any court or administrative action of any kind questioning the propriety of any bill after a period of twenty four (24) months from the date the bill was due.
- 8.3 **Payment Method.** All payments shall be made by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party in the Cover Sheet.
- 8.4 **Netting and Setoff.** If Buyer and Seller are required to pay any amount under this Agreement on the same day or in the same month, then such amounts with respect to each Party may be aggregated and the Parties may discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the Party owed the difference between the amounts owed. Each Party reserves to itself all rights, setoffs, counterclaims, combination of accounts, liens and other remedies and defenses which such Party has or may be entitled to (whether by operation of law or otherwise). The obligations to make payments under this Agreement and any other Standard Contract for the Purchase and Sale of Connecticut Class I Renewable Energy Credits from Low and Zero Emission Projects between the Buyer and Seller, if any, may upon mutual agreement of the Parties be aggregated, and the Parties may discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the Party owed the difference between the amounts owed.
- 8.5 **Interest on Late Payment.** All overdue payments hereunder shall bear interest from (and including) the due date to (but excluding) the date of payment at the Interest Rate.
- 8.6 **Taxes.** Seller shall pay or cause to be paid all taxes imposed by any government authority (“Governmental Charges”) on or with respect to the LRECs or ZRECs or production of the LRECs or ZRECs arising prior to Delivery. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the LRECs or ZRECS at and after Delivery (other than ad valorem, franchise or income taxes that are related to the sale of the LRECs or ZRECs and are, therefore, the responsibility of the Seller). Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law. A tax shall not include any penalty or fines.

Article 9. Performance Assurance

- 9.1 **Provision of Performance Assurance.** Seller shall be required to post Performance Assurance in the amount as specified on the Cover Sheet by the Effective Date to secure Seller's obligations under this Agreement. Seller's failure to provide said Performance Assurance as required shall result in automatic termination of this Agreement.
- 9.2 **Return of Performance Assurance.** Performance Assurance shall be returned to Seller at the earlier of (i) thirty (30) days after the In-Service Date, (ii) termination of this Agreement for failure to receive Regulatory Approval, (iii) termination of this Agreement because the Facility was not constructed due to a Force Majeure Event, or (iv) termination of this Agreement due to a Event of Default by Buyer. For purposes of clarification, Buyer has no obligation to return Performance Assurance if the Agreement is terminated due to an Event of Default by Seller.
- 9.2.1 If, in accordance with Article 14, Buyer receives notice and request for voluntary termination of this Agreement from Seller prior to the selected Delivery Term Start Date as specified on the Cover Sheet, then, provided that an event of default by Seller is not then existing, Buyer will return to Seller twenty percent (20%) of the amount of Performance Assurance originally provided to Buyer. The agreement shall be deemed terminated as of the date Buyer receives such notice.

Article 10. Covenants, Representations and Warranties

- 10.1 **Seller Covenants, Representations and Warranties.** On and as of the Effective Date, and upon Delivery, Seller hereby covenants, represents and warrants to Buyer as follows:
- 10.1.1 Seller has and, at all times during the Term will have, all necessary power and authority to execute, deliver and perform its obligations hereunder;
- 10.1.2 The execution, delivery and performance of this Agreement by Seller has been duly authorized by all necessary action and does not violate any of the terms or conditions of Seller's governing documents, or any contract to which it is a party, or any law, rule, regulation, order, judgment or other legal or regulatory determination applicable to Seller;
- 10.1.3 There is no pending or (to Seller's knowledge) threatened litigation, arbitration or administrative proceeding that materially adversely affects Seller's ability to perform its obligations under this Agreement;

- 10.1.4 Seller is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt.
- 10.2 **Buyer covenants, representations and warranties.** On, as of the Effective Date, and upon Delivery, Buyer hereby represents and warrants to Seller as follows:
- 10.2.1 Buyer has, and at all times during the Term will have, all necessary power and authority to execute, deliver and perform its obligations hereunder;
- 10.2.2 The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action and does not violate any of the terms or conditions of Buyer's governing documents, or any contract to which it is a party, or any law, rule, regulation, order, judgment or other legal or regulatory determination applicable to Buyer;
- 10.2.3 There is no pending or (to Buyer's knowledge) threatened litigation or administrative proceeding that materially adversely affects Buyer's ability to perform its obligations under this Agreement; and
- 10.2.4 Buyer is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt.
- 10.3 **Additional Seller LREC and/or ZREC Covenants.** On, as of the Effective Date, and upon Delivery, Seller hereby represents and warrants to Buyer as follows:
- 10.3.1 At the time of Delivery, Seller shall convey title to any and all of the LRECs or ZRECs Delivered to Buyer in accordance with this Agreement free and clear of any and all liens or other encumbrances or title defects and Seller further represents that any and all of the LRECs or ZRECs represent generation from a generation facility that has been qualified by the Authority as eligible to produce LRECs or ZRECs pursuant to the Renewable Portfolio Standard and that such Facility is substantially as described in the Cover Sheet. Upon each Delivery, Seller represents and warrants to Buyer that (A) it has sold and transferred the LRECs or ZRECs once and only once exclusively to Buyer; (B) the LRECs or ZRECs and any other Environmental Attributes sold hereunder have not expired and have not been, nor will be sold, retired, claimed or represented as part of electricity output or sale, or used to satisfy any renewable energy or other carbon or

renewable generation attributes obligations under the RPS or in any other jurisdiction; (C) that it has made no representation, in writing or otherwise, that any third-party has received, or has obtained any right to, such LRECs or ZRECs that are inconsistent with the rights being acquired by Buyer hereunder, including, but not limited to, any right to use the LRECs or ZRECs to meet the renewable energy requirements in any other state or jurisdiction, or under any other renewable energy program; and (D) the LRECs or ZRECs, as applicable, meet statutory requirements as they existed as of the Effective Date.

10.3.2 Seller warrants that as of the initial Delivery date and continuing thereafter, the Facility will be qualified to produce Connecticut Class I Renewable Energy Credits that meet the requirements of the LREC/ZREC Product as elected on the Cover Sheet.

10.3.3 Seller is an Account Holder as defined in Rule 2.2 of the NEPOOL GIS Operating Rules.

10.3.4 Seller covenants that it shall not change the Facility, as described in the Cover Sheet, without the prior written consent of Buyer.

10.3.5 If Seller has made this election on the Cover Sheet, Seller covenants that the Facility uses Connecticut manufactured, researched or developed technologies. For the purposes of this and related provisions, including any affidavits, “manufactured” is defined as: “The activity of converting or conditioning tangible personal property by changing the form, composition, quality or character of the property for ultimate sale at retail or use in the manufacturing of a product to be ultimately sold at retail. Changing the quality of property includes any substantial overhaul of the property that results in a significantly greater service life than such property would have had in the absence of such overhaul or with significantly greater functionality within the original service life of the property, beyond merely restoring the original functionality for the balance of the original service life.” Further, for the purposes of this and related provisions, including any affidavits, “researched or developed” is defined as: “The activity of applying technical expertise, knowledge or understanding to investigate, discover and produce new, more beneficial or useful materials, devices, systems, methods, processes or designs, or to improve benefits of the existing materials, devices, systems, methods, processes or designs, provided however that such activity was performed on behalf of manufacturers of renewable energy technology, and where such research or development leads to the manufacture of the specific component(s) for which the claim for preferential treatment is made.

Article 11. Assignment

- 11.1 **Prohibition on Assignments.** Except as permitted under this Article 11, this Agreement may be assigned by Seller, unless Buyer notifies Seller in writing, within thirty (30) days of receipt of written notice of Seller's intent to make an assignment, that Buyer has reasonably determined that such assignment will have a material adverse effect on Seller's creditworthiness or Seller's ability to perform its obligations under this Agreement and notifies Seller in writing that Buyer does not consent to the assignment. When assignable, this Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the successors and assignees of the Parties, except that no assignment, pledge or other transfer of this Agreement by either Party shall operate to release the assignor, pledger, or transferor from any of its obligations under this Agreement unless the other Party (or its successors or assigns) consents in writing to the assignment, pledge or other transfer and expressly releases the assignor, pledger, or transferor from its obligations thereunder.
- 11.2 **Assignments by Seller.** Seller may pledge or assign the Facility, this Agreement or the revenues under this Agreement to any Lender as security for the project financing or tax equity financing of the Facility; *provided, however,* that the Facility shall remain at all times located at the original site.
- 11.3 **Change of Control over Seller.** Buyer's consent shall be required for any "Change of Control" (as defined below) over Seller. Buyer's consent shall be deemed provided within forty-five (45) days of Buyer's receipt of the Seller's notice of its intent to Change Control unless Buyer notifies Seller in writing, within thirty (30) days of receipt of Seller's written notice of intent to make a Change of Control, that Buyer has reasonably determined that such a Change of Control will have a material adverse effect on Seller's creditworthiness or Seller's ability to perform its obligations under this Agreement and that Buyer does not consent to such Change of Control. If Buyer does not consent to a Change of Control requested by Seller resulting from a bona-fide, good faith transaction entered into by Seller for a Change of Control within such forty-five day period, Seller may terminate this Agreement upon sixty (60) days' notice to Buyer. For the purposes of this Section 11.3, "Change of Control" shall mean either (a) change in ownership of more than fifty percent (50%) of the equity interest of Seller in the Facility, either directly or indirectly, or (b) a change of control in fact of Seller.

- 11.4 **Permitted Assignment by Buyer.** Buyer shall have the right to assign this Agreement without consent of Seller in connection with any merger, consolidation, exchange of all of the common stock or other equity interests or other similar transactions involving Buyer that is approved by the Authority.
- 11.5 **Prohibited Assignments.** Any purported assignment of this Agreement not in compliance with the provisions of this Article 11 shall be null and void.

Article 12. Regulatory Approval; Cost Recovery

- 12.1 **Failure to Obtain Regulatory Approval.** If Buyer notifies Seller that it has received an order from the Authority regarding this Agreement that is not acceptable either in form or substance to Buyer in its sole discretion, Buyer may terminate this Agreement within thirty (30) days after the date of the order. Buyer must provide notice of such termination to Seller in accordance with the provisions of Article 14. Upon such termination, neither Party shall have any further liability hereunder.
- 12.2 **Buyer Cost Recovery.** The Parties recognize and agree that this Agreement and the amounts to be paid to Seller for LRECs or ZRECs hereunder, and the reasonable and prudently incurred costs and fees incurred by Buyer associated with this Agreement, are premised upon Authority approval. If the Authority fails to authorize the Buyer's full cost recovery of these reasonable and prudently incurred costs and fees, then Buyer may immediately terminate this Agreement.

Article 13. Events of Default; Remedies

- 13.1 **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
- 13.1.1 if a Party materially breaches any or all of its obligations as described in this Agreement and such breach is not cured within twenty (20) Business Days of written notice of such breach from the other Party;
- 13.1.2 if any representation or warranty or covenant made by a Party in Article 10 of this Agreement proves to have been misleading or false in any material respect when made; and/or
- 13.1.3 if a Party becomes Bankrupt.
- 13.2 **Additional Seller Events of Default.** An "Event of Default" shall also mean with respect to Seller the occurrence of any of the following:

13.2.1 if Seller, on behalf of the Facility, receives, or has received, a grant or rebate from Connecticut Green Bank or either of its predecessors CEFIA or CCEF, or any successor agency or fund (subject to the clarifications set forth in Section 4.1.8), or a contract for the sale of the output of the facility to either of the Electric Distribution Companies; or,

13.2.2 if Seller fails to satisfy any and all of the conditions set forth in Article 4 within twelve (12) months of the Delivery Term Start Date; or,

13.2.3 if Seller fails to deliver any LRECs or ZRECs from the Facility to Buyer for twenty-four (24) consecutive months.

13.3 Remedies Upon Default.

13.3.1 **Remedies.** Upon the occurrence and continuation of an Event of Default, the other Party (the “Non Defaulting Party”) may (i) terminate this Agreement upon written notice to the Defaulting Party, (ii) withhold any payments due in respect of this Agreement to the extent of its damages pursuant to this Section 13.3.1, and/or (iii) exercise such remedies as provided in this Agreement. Both Parties hereby stipulate that the remedies set forth in this Section 13.3.1 are reasonable in light of the anticipated harm and the difficulty of estimation or calculation of actual damages, and each Party hereby waives the right to contest such payments as an unreasonable penalty.

13.3.2 **Suspension of Performance.** Notwithstanding any other provision hereof, if an Event of Default has occurred and is continuing, the Notifying Party may, on notice to the other Party, suspend performance of its obligation to deliver and sell, or receive and purchase, as applicable, LRECs or ZRECs until such Event of Default is cured; *provided, however,* that any suspension shall not extend the Delivery Term period. Any such suspension shall be without prejudice to any remedy provided herein or otherwise available at law or in equity, including the right to subsequently terminate under Section 13.3.1.

13.3.3 Other Buyer Remedies.

(a) With respect to a Seller default pursuant to Section 13.2.1 (Facility, receives, or has received, a grant or rebate from the Connecticut Green Bank or either of its predecessors CEFIA or CCEF, or any successor agency or fund), (i) this Agreement shall be deemed to have terminated automatically as of the date of such receipt, (ii) Seller shall forfeit its Performance Assurance to Buyer, and (iii) Seller shall promptly return any amounts to Buyer paid for any

LRECs or ZRECs under this Agreement subsequent to receipt of such grant or rebate.

- (b) With respect to a Seller default pursuant to Section 13.2.2 (generation from the Facility has not begun within twelve (12) months of the Delivery Term Start Date), this Agreement shall terminate immediately, unless, prior to such date (twelve (12) months after the Delivery Term Start Date), Seller provides notice to Buyer of the potential Seller default, requests suspension of the termination of the Agreement, and posts additional Performance Assurance. The amount of the additional Performance Assurance shall be equal to the amount of Performance Assurance set forth on the Cover Sheet (i.e., Seller must increase the amount of posted Performance Assurance by 100%). If Seller provides such notice and additional Performance Assurance by such date, Seller shall have six (6) months to cure such Seller default (i.e., until the date that is eighteen (18) months after the Delivery Term Start Date). If Seller does not cure such Seller default by the expiration of eighteen (18) months after the Delivery Term Start Date, this Agreement shall terminate automatically.
- (c) With respect to a Seller default pursuant to Section 13.2.3, Buyer shall have the right to terminate this Agreement without further liability on the part of Buyer, by giving Seller fifteen (15) Business Days' notice.

Article 14. Notices and Contact Information

- 14.1 Any notice, demand, or request permitted or required under this Agreement shall be in writing and shall be delivered in person, by prepaid overnight United States mail or by overnight courier service, return receipt requested, to a Party at the applicable address set forth in the Cover Sheet.
- 14.2 Notices by hand delivery shall be effective at the close of business on the day actually received, if received during receiving party's business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or overnight courier service shall be effective on the close of business on the next Business Day after such notice was sent.

- 14.3 Any correspondence related to the Performance Assurance should be sent to the Credit contact at the applicable address set forth in the Cover Sheet.
- 14.4 The notice, contact or accounting information specified in the Cover Sheet and in this Article 14 may be changed from time to time by written notice by either Party to the other Party without amendment of this Agreement. However, such written notice shall not be used for the purposes of Article 11.

Article 15. Force Majeure

- 15.1 **Force Majeure.** (a) Except as otherwise set forth in this Agreement, neither Party shall be liable to the other Party for failure or delay in the performance of any obligation under this Agreement during the Term if and to the extent that such delay or failure is due to a Force Majeure Event. The Party claiming Force Majeure shall notify the other Party of the occurrence thereof as soon as possible and shall use reasonable efforts to resume performance immediately. (b) In no event shall a claim of Force Majeure or a Force Majeure Event operate to extend the Delivery Term Start Date of this Agreement. (c) After the Delivery Term Start Date, in no event shall a claim of Force Majeure or a Force Majeure Event operate to extend the Delivery Term of this Agreement. (d) After the Delivery Term Start Date, in the event of (i) a Force Majeure Event of twelve (12) consecutive months duration, or (ii) Force Majeure Events cumulatively totaling twelve (12) months, in which Seller fails to deliver any LRECs or ZRECs from the Facility to Buyer, Buyer shall have the right to terminate this Agreement without further liability to Buyer, by giving Seller fifteen (15) Business Days written notice.

Article 16. Limitation of Liability

- 16.1 WITH RESPECT TO ANY LIABILITY HEREUNDER, NEITHER SELLER NOR BUYER SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS, OR BUSINESS INTERRUPTION DAMAGES, WHETHER BY STATUTE, IN TORT OR IN CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE.

Article 17. Dispute Resolution

- 17.1 Except as otherwise expressly set forth herein, for any and all disputes or issues, the Parties shall refer to this Article 17. A Party must respond to the other Party's notice concerning a disputed issue within ten (10) Business Days of first notification unless otherwise specified in this Agreement.

- 17.2 Any Party may give the other Party notice of any dispute not resolved in the normal course of business (“Initial Notice”). A copy of the Initial Notice shall also be given to the Authority. Such Initial Notice shall include: (a) a statement of that Party’s position and a summary of arguments supporting that position; and (b) the name and title of the executive who will be representing that Party and of any other person who will accompany the executive. Within five (5) Business Days after delivery of the Initial Notice, the receiving Party shall respond with: (a) a statement of that Party’s position and a summary of arguments supporting that position; and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within fifteen (15) Business Days after delivery of the Initial Notice, representatives of both Parties and, at the Parties request, shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one Party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable to resolve the dispute within sixty (60) Business Days after the delivery of the Initial Notice, a Party may petition the Authority to initiate a proceeding to resolve the dispute. The Parties should report to the Authority any resolution of disputes agreed to by the Parties within five (5) Business Days of said agreement.
- 17.3 The Parties agree that all disputes or issues arising out of this Agreement shall be brought to the Authority for resolution of the dispute or issues as provided in this Article 17. The Parties waive their right to bring disputes or issues to any other forum except as provided in the Uniform Administrative Procedures Act, General Statutes of Connecticut § 4-166, et seq.(c).
- 17.4 **Allocation of Dispute Costs.** Each Party shall be responsible for its own legal fees, including but not limited to attorney fees. The Parties may, by written agreement signed by both Parties, alter any time deadline, location(s) for meeting(s), or procedure outlined herein. The procedure specified herein shall be the sole and exclusive procedure for the resolution of Disputes.
- 17.5 **Waiver of Jury Trial.** EACH PARTY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF, RESULTING FROM OR IN ANY WAY RELATING TO THIS AGREEMENT.

Article 18. Miscellaneous

- 18.1 **Records.** The Parties shall keep (or as necessary cause to be kept by their respective agents) for a period of at least six (6) years such records as may be needed to afford a clear history of all deliveries of LRECs or ZRECs pursuant to this Agreement. For any matters in dispute, the Parties shall keep the records related to such matters until the dispute is ended. This Section shall survive the expiration or termination of this Agreement.
- 18.2 **Audit Rights.** Seller and Buyer shall each have the right throughout the Term and for a period of six (6) years following the end of the Term, upon reasonable prior notice, to audit copies of relevant portions of the books and records of the other Party to the limited extent necessary to verify the basis for any claim by a Party for payment from the other Party or to determine a Party's compliance with the terms of this Agreement. The Party requesting the audit shall pay the other Party's reasonable costs allocable to such audit.
- 18.3 **Accounting Information.** Seller shall provide to Buyer, and in a timely fashion following its request, reasonably requested information that Buyer requires for its accounting analysis or Securities and Exchange Commission reporting purposes. Buyer agrees to treat any information that includes confidential information with the same degree of care that it accords its own confidential information.
- 18.4 **Site Access.** Buyer and its representatives shall have the right, but not the obligation, during business hours, upon reasonable notice to Seller, to visit and view the Facility site including, but not limited to, the purposes of verifying compliance with the Facility's description as provided in the Cover Sheet, and final Facility size as of its In-Service Date. Buyer and Seller agree that it shall constitute a material breach by Seller to deny Buyer reasonable access to the site and the Facility and that such material breach shall constitute an Event of Default by Seller under Article 13.
- 18.5 **Amendment/Binding Effect.** This Agreement may not be amended, changed, modified, or altered unless such amendment, change, modification, or alteration is in writing and signed by both of the Parties to this Agreement and, with respect to amendments only, receive Regulatory Approval. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and permitted assigns.
- 18.6 **Severability.** If any article, section, phrase or portion of this Agreement is, for any reason, held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such article, section, phrase, or portion so adjudged will be deemed separate, severable and independent and the remainder of this Agreement shall remain in full force and effect and shall

not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication, provided that the basic purpose of this Agreement and the benefits to the Parties are not substantially impaired.

- 18.7 **Entire Agreement.** This Agreement completely and fully supersedes all other understandings or agreements, both written and oral, including any term sheet or confirmation, between the Parties relating to the subject matter hereof.
- 18.8 **Waiver.** No delay or omission by a Party in the exercise of any right under this Agreement shall be taken, construed or considered as a waiver or relinquishment thereof, and any such right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions hereof are breached and thereafter waived by a Party, such waiver shall be limited to the particular breach so waived and is not deemed to waive any other breach hereunder.
- 18.9 **Governing Law; Venue; Waiver of Jury Trial.** This Agreement and the rights and duties of the Parties hereunder shall be governed by and shall be construed, enforced and performed in accordance with the laws of the State of Connecticut, without regard to principles of conflicts of law. Parties waive the right to a trial by jury. Any dispute arising out of this Agreement shall be governed by Section 17.3 of this Agreement.
- 18.10 **Headings.** The article and section titles in this Agreement are only for purposes of convenience and do not form a part of this Agreement and will not be taken to qualify, explain or affect any provision thereof.
- 18.11 **Indemnification.** Each Party agrees to indemnify, defend and hold harmless the other Party, and any of said other Party's Affiliates, directors, officers, employees, agents and permitted assigns, from and against all third party claims, losses, injuries, liabilities, damages, judgments, awards, fines, penalties, costs and expenses (including reasonable attorneys' fees and disbursements) incurred in connection with, arising out of, or alleged to arise out of any event or circumstance first occurring or existing during the period when control and title to the Products is vested in such Party or which is in any manner connected with the performance of this Agreement by such Party, except to the extent that such Claim may be attributable to the gross negligence or willful misconduct of the Party seeking to be indemnified. This indemnity shall survive the expiration or termination of this Agreement for the full statutory period allowable by applicable law.
- 18.12 **No Third Party Beneficiaries.** Nothing herein is intended to or should be construed to create any rights of any kind whatsoever in third persons not parties to this Agreement.

18.13 **Counterparts; Transmittal.** This Agreement may be executed in several counterparts, each of which is an original and all of which constitute one and the same instrument. Facsimile or electronic transmission of this Agreement shall constitute good and valid delivery.

Attachment 1 to Standard Contract
Form of Performance Assurance

Guidelines explaining the Acceptable Forms and Methods of Providing Performance Assurance are available on Buyer's website.