APPENDIX D: NOBLES 2 WIND PROJECT PPA AND FIRST AMENDMENT

Execution Version

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

MINNESOTA POWER

AND

NOBLES 2 POWER PARTNERS, LLC

WIND POWER PURCHASE AGREEMENT
FOR 250 MW OF RENEWABLE GENERATION

DATED MAY 10, 2017

MINNESOTA POWER

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APPENDICES

THIS POWER PURCHASE AGREEMENT (the "PPA" or the "Agreement") is made as of the 10th day of May, 2017 (the "Effective Date") by and between ALLETE, Inc. d/b/a/ Minnesota Power ("MP"), a Minnesota corporation with headquarters at 30 West Superior Street, Duluth, Minnesota 55802, and Nobles 2 Power Partners, LLC, a Minnesota limited liability company ("Seller"). Seller and MP are each referred to herein as a "Party" and collectively as the "Parties."

WHEREAS, MP is a public utility, as defined in Minnesota Statutes Section 216B.1691, subdivision 1(b);

WHEREAS, Seller will plan, design, finance, construct, own, operate and maintain a project consisting of a wind electric generating plant, which may be a phase or portion of a larger wind energy generation facility, to provide Accreditable Capacity and associated Contract Energy to MP, and which is further defined below as the "Facility";

WHEREAS, Seller intends to locate the Facility in Nobles and Murray Counties, Minnesota and to interconnect the Facility with Interconnection Provider's System (as hereinafter defined); and

WHEREAS, Seller will generate, sell and deliver MP's Percentage (as hereinafter defined) of Accreditable Capacity, Contract Energy and any associated Green Tags produced by the Facility at the Point of Delivery to MP, and MP will receive and purchase the same all in accordance with the terms of this Agreement.

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

ARTICLE 1

TERM AND CONTINGENCIES TO EFFECTIVENESS

1.1 Term. The Term of this Agreement (the "Term") shall commence on the Commencement Date and shall expire on the date that is twenty (20) years from the Commercial Operation Date with this Agreement remaining in full force and effect through the interim unless terminated or extended in accordance with the terms of this Agreement. Applicable provisions of

this PPA shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination and, as applicable, to provide for: final billings and adjustments related to the period prior to termination, repayment of any money due and owing to either Party pursuant to this PPA, repayment of principal and interest associated with security funds, and the indemnifications specified in this PPA.

1.2 MP Contingencies.

1.2.1 (a) MP shall submit this PPA together with resource additions comprising an approximately 10 MW solar project and an approximately 200 to 250 MW share of a natural gas-fired power plant resulting from the MPUC's July 18, 2016 Order Approving Resource Plan with Modifications in MPUC Docket No. E015/RP-15-690 (collectively "IRP Compliance Filing") for MPUC Approval as soon as practicable after execution of this PPA, and obtaining MPUC Approval shall constitute a condition precedent to MP's performance of its other obligations hereunder. MP shall use commercially reasonable efforts to obtain MPUC Approval on or before October 31, 2018 (the "MPUC Approval Deadline Date"). Seller agrees to provide reasonable assistance to MP, if requested, in order to assist MP in obtaining MPUC Approval.

(b) If the MPUC declines to approve this PPA as part of the IRP Compliance Filing or approves this PPA as part of the IRP Compliance Filing subject to material conditions that are unacceptable to MP or Seller, each in its sole discretion, then for a period of sixty (60) days from the date of the MPUC's written order declining to approve this PPA as part of the IRP Compliance Filing or approving this PPA as part of the IRP Compliance Filing with such material unacceptable conditions, the Parties agree to negotiate in good faith to amend this PPA in a manner that will satisfactorily address the MPUC's reason for disapproval of this Agreement or result in the modification of such material unacceptable conditions such that no material unacceptable conditions form part of the MPUC Approval, provided that it shall not be a failure of good faith on the part of Seller if it is not willing to reduce the prices set forth in this Agreement for the Accreditable Capacity and Contract Energy generated from the Facility or to modify any term hereof that could have the result of increasing Seller's risks or potential liability. Any amendment agreed to by the Parties shall be subject to MPUC Approval, and MP shall submit this Agreement, as amended, for MPUC Approval as soon as practicable after the execution of this Agreement, as amended.

(c) If either (i) MPUC Approval, either with or without amendments to this PPA, if any, agreed to pursuant to paragraph (b) of this **Section 1.2.1**, is not obtained on or

before the MPUC Approval Deadline Date, or (ii) the Parties cannot agree on mutually acceptable amendments by the end of the sixty (60) days or such longer period as the Parties may agree in writing as described in paragraph (b) of this **Section 1.2.1**, then either Party shall have the right to terminate the PPA upon written Notice to the other Party delivered, in the case of clause (i) above, within 15 days after the MPUC Approval Deadline Date or in the case of clause (ii) above, within fifteen (15) days after the end of the sixty (60) days or such longer period as the Parties have agreed, in each case with no further financial or other obligations under this Agreement. Failure of either Party to provide Notice of termination within the time period specified above shall be deemed a waiver of this condition, and neither Party shall thereafter have the right to terminate this Agreement on the basis of the failure of this condition to have been satisfied.

1.2.2 On or before [TRADE SECRET DATA EXCISED] Seller shall have obtained NRIS status for the Facility. If this condition is not satisfied by [TRADE SECRET DATA EXCISED] MP shall have the right to terminate this Agreement by delivering written Notice to Seller on or before December 15, 2018. Failure of MP to provide Notice of termination by December 15, 2018 shall be deemed a waiver of this condition, and MP shall not thereafter have the right to terminate this Agreement on the basis of the failure of this condition to have been satisfied.

1.2.3 If the maximum estimate for network upgrades set forth in the MISO Interconnection Facilities Study for the Facility for which Seller is responsible exceeds [TRADE SECRET DATA EXCISED] (the "Seller Network Upgrade Cost Cap") and Seller declines in its sole discretion to waive the purchase price adjustment under **Section 3.3.2** for the amount of network upgrade costs for which it is responsible above the Seller Network Upgrade Cost Cap, MP shall have the right to terminate this Agreement by delivering written Notice to Seller after the tenth (10th) Day after MISO releases such Interconnection Facilities Study but prior to the fifteenth (15th) Day after MISO releases such Interconnection Facilities Study. Failure of MP to provide Notice of termination within the time period specified above shall be deemed a waiver of this condition, and MP shall not thereafter have the right to terminate this Agreement on the basis of the failure of this condition to have been satisfied.

1.3 Seller Contingencies.

1.3.1 Seller shall have the right to terminate this PPA, without any further financial or other obligation to MP as a result of such termination, by Notice to MP if any of the following has not occurred by the date specified below:

(a) On or before [TRADE SECRET DATA EXCISED] Seller has obtained all Permits which it is responsible to receive and which are necessary to own, construct, and operate the Facility or to sell the Contract Energy and Accreditable Capacity to MP as contemplated by this PPA and all such Permits are final and non-appealable. MP agrees to provide reasonable assistance to Seller, if requested, in order to assist Seller in obtaining any Permit.

(b) On or before [TRADE SECRET DATA EXCISED] an Interconnection Agreement for the Facility, having terms and conditions (other than network upgrade costs associated with the Facility for which Seller is responsible, which Seller hereby accepts under **Section 3.3.2**) acceptable to Seller, has been executed by all parties thereto.

1.3.2 Seller shall have the right to terminate this PPA, without any further financial or other obligation to MP as a result of such termination, by Notice to MP if at any time after the Effective Date but prior to the date on which Seller closes on its financing for construction of the Facility pursuant to Financing Documents, Buyer does not have an Investment Grade Credit Rating subject to Buyer being allowed a thirty (30) Day period after Notice from Seller in which to cure the failure to have an Investment Grade Credit Rating.

1.3.3 Seller may at any time by delivery of Notice to MP waive satisfaction of any of the Seller contingencies describes in **Section 1.3.1** or **1.3.2**. Failure of Seller to provide Notice of termination within (i) in the case of **Section 1.3.1**, fifteen (15) Days after the applicable date set forth in paragraphs (a) or (b) of such section, as applicable, or (ii) in the case of **Section 1.3.2**, sixty (60) Days after the date on which Buyer no longer has an Investment Grade Credit Rating shall be deemed a waiver of the relevant condition and Seller shall not thereafter have the right to terminate this Agreement on the basis of failure of the relevant condition.

1.3.4 [TRADE SECRET DATA EXCISED]

1.4 Pre-COD Obligations.

Notwithstanding anything to the contrary in this Agreement, Seller's sole liability and Buyer's sole remedy upon the occurrence of an Event of Default by Seller, including for Abandonment of the Facility or anticipatory repudiation of performance of Seller's obligations,

prior to the Commercial Operation Date shall be termination of this Agreement and an action for damages, and the maximum liability to Buyer for an Event of Default by Seller prior to the Commercial Operation Date shall be the amount posted as the Development Security.

ARTICLE 2

PURCHASE AND SALE

2.1 Sale and Purchase.

2.1.1 Beginning on the Commercial Operation Date, Seller shall generate from the Facility and sell Contract Energy and Accreditable Capacity attributable to MP's Percentage of the electric generating capacity of the Facility to MP. Beginning on the Commercial Operation Date, MP shall accept and purchase at the prices set forth in this Agreement MP's Percentage of the Accreditable Capacity and Contract Energy generated from the Facility and delivered by Seller to the Point of Delivery during the Term.

2.1.2 MP agrees to accept and purchase all Test Energy attributable to MP's Percentage of the electric generating capacity of the Facility and delivered to the Point of Delivery at a rate equal to [TRADE SECRET DATA EXCISED]. Seller shall notify MP, to the extent practicable, fifteen (15) Days prior to the initial delivery of Test Energy to MP. In no instance shall MP be obligated to purchase Test Energy in amounts in excess of that associated with MP's Percentage of the electric generating capacity of the Facility.

2.2 Title and Risk of Loss.

2.2.1 As between the Parties, Seller shall retain title to, and be deemed to be in control of, the Accreditable Capacity, Contract Energy and Test Energy attributable to MP's Percentage of the electric generating capacity of the Facility up to and until delivery to MP at the Point of Delivery.

2.2.2 MP shall take title to, and be deemed to be in control of, the Accreditable Capacity, Contract Energy, Test Energy, and Green Tags purchased by MP hereunder, from and after delivery at the Point of Delivery.

2.2.3 Seller warrants that it will deliver to MP the Accreditable Capacity, Contract Energy, Test Energy, and Green Tags purchased by MP hereunder, free and clear of all

liens, security interests, claims, and encumbrances or any similar interest therein or thereto in favor of any Person and arising or attaching prior to the Point of Delivery.

2.3 Green Tags.

The Parties agree that the price set forth in **Exhibit B** includes compensation for Green Tags, Accreditable Capacity and Zonal Resource Credits associated with the Contract Energy purchased by MP pursuant to this Agreement during the Term and that MP is entitled to utilize any and all such Green Tags. To the full extent allowed by Applicable Laws, MP shall own or be entitled to claim all Green Tags purchased by MP hereunder to the extent such Green Tags may exist during the Term, and to the extent necessary, Seller shall assign to MP all rights, title and authority for MP to register, own, hold and manage such Green Tags in MP's own name and to MP's account, including any rights associated with any renewable energy information or tracking system that may be established with regard to monitoring, tracking, certifying, or trading such Green Tags.

ARTICLE 3

CONTRACT CAPACITY AND CONTRACT ENERGY

3.1 Capacity. For purposes of this Agreement, "Installed Capacity" means an amount in MWs between 247 and 253 as specified in writing by Seller to MP not later than the date on which Seller closes on its construction financing for the Facility, subject to adjustment if Seller elects to make the Capacity Buy-Down Payment pursuant to **Section 4.6**.

3.2 Mechanical Availability.

3.2.1 Commencing with the first Measurement Period and for each Measurement Period thereafter, MP's Percentage of the Facility shall achieve a Mechanical Availability Percentage equal to or greater than [TRADE SECRET DATA EXCISED] or Seller shall pay liquidated damages as provided in **Section 3.2.1(a)**.

(a) If the Mechanical Availability Percentage for any Measurement Period is less than [TRADE SECRET DATA EXCISED] then Seller shall pay MP liquidated damages in an amount (if positive) equal to the product of (i) the Energy Deficit for such Measurement Period (expressed in MWh) and (ii) (x) the Facility generation weighted real time generator node Facility LMP over such Measurement Period at the Point of Delivery; *minus* (y)

the price per MWh for Contract Energy for the relevant Contract Years comprising the Measurement Period (the "Availability Liquidated Damages"). Amounts payable pursuant to this **Section 3.2.1(a)** shall be subject to the Aggregate Damage Limitation.

3.3 Pricing for Accreditable Capacity and Contract Energy. Seller shall be entitled to payment for Accreditable Capacity, Zonal Resource Credits, Contract Energy and any associated Green Tags in accordance with this **Section 3.3**. MP's payment under this PPA includes Accreditable Capacity, Zonal Resource Credits, Contract Energy, and any associated Green Tags. Seller shall have all right, title and interest in and to all Renewable Energy Incentives. MP acknowledges that any Renewable Energy Incentives belong to Seller.

3.3.1 MP shall pay Seller for each MWh of Contract Energy delivered to MP at the Point of Delivery an amount equal to the price per MWh for the relevant Contract Year specified in **Exhibit B**, plus, if applicable:

3.3.2 [TRADE SECRET DATA EXCISED]

3.4 House Power and Maintenance Power. This PPA does not provide for the supply of any electric service by MP to Seller or to the Facility, and nothing in this Agreement shall obligate MP to provide any electric service to Seller or to the Facility. Seller recognizes and acknowledges that it shall be solely responsible for obtaining electric service for the Facility in accordance with Applicable Law.

3.5 Ancillary Services. Any and all Ancillary Services (as that term is defined and implemented pursuant to the relevant Tariff and FERC Order No. 827) that the Facility is capable of providing associated with the Installed Capacity shall be deemed to have been purchased by MP hereunder at no additional charge. Upon achieving the Commercial Operation Date, Seller shall use all commercially reasonable efforts to maximize the Ancillary Services available to MP to the extent available from the Installed Capacity, consistent with and subject to Good Utility Practice, provided that Seller shall not be required to make any capital expenditures or incur any increased operating expenses in connection with such efforts other than what is already required to comply with the requirements of the Interconnection Agreement and any related instructions from MISO or the Interconnection Provider. Notwithstanding anything in this paragraph to the contrary, Seller shall not reduce, curtail or suspend production and delivery of Contract Energy to MP for the purpose of preserving or providing reactive power to itself or any other Person.

ARTICLE 4

FACILITY REQUIREMENTS

4.1 General Description. The Accreditable Capacity and Contract Energy purchased by MP under this Agreement shall be exclusively generated by the Facility located at the Site. Seller shall design, construct, operate and maintain the Facility in material compliance with all Facility Permits and Requirements of Law, and according to Good Utility Practice.

4.2 Site. Seller shall construct, own or lease, operate, and maintain the Facility, which, subject to Seller's right to make the Capacity Buy-Down Payment pursuant to **Section 4.6**, shall consist of Wind Turbines and associated equipment having a Rated Capacity not less than the Installed Capacity. **Exhibit A** contains a scaled map that identifies the Site; the expected, as of the Effective Date, location of the Facility at the Site; the equipment and components that as of the date of this Agreement are anticipated to make up the Facility; a one-line diagram; the approximate location of Electric Metering Devices; and the Point of Delivery. **Exhibit A** shall be amended by Seller prior to the Commercial Operation Date to reflect any material changes in siting of the generating facilities or related facilities during permitting and construction.

4.3 Milestones. Seller acknowledges that time is of the essence with respect to Seller meeting its obligation to supply the Accreditable Capacity and Contract Energy purchased by MP hereunder. To that end, Seller shall use all commercially reasonable efforts to complete the Facility by the Commercial Operation Milestone as set forth in **Exhibit C**. In furtherance of Seller's obligation, Seller shall reasonably endeavor to achieve each of the interim Major Milestones set forth in **Exhibit C** on or prior to the applicable date set forth for such Major Milestone. Notwithstanding the foregoing, Seller's liability for any failure to complete the Facility by the Commercial Operation Milestone or to complete any interim Major Milestone by the applicable date set forth such Major Milestone shall be limited to the remedy for failure to achieve the Commercial Operation Milestone as set forth in **Section 4.4**.

4.4 Milestones; Extensions. The Major Milestone dates listed in **Exhibit C** (including the Commercial Operation Milestone) may be extended upon the occurrence of Force Majeure; provided that in no event shall the total number of Days of all such extensions as a result of Force Majeure exceed three hundred sixty (360) Days in the aggregate; provided, further, that if Seller shall fail to achieve the Commercial Operation Date within three hundred sixty (360) Days after the Commercial Operation Milestone for any reason whatsoever, including

Force Majeure but excluding any default under this Agreement by MP that results in a delay in achievement of the Commercial Operation Milestone, then such failure shall entitle MP to terminate this PPA without further obligation to Seller.

4.5 Conditions to Commercial Operation. All Contract Energy delivered by Seller prior to the Commercial Operation Date shall be Test Energy. Commercial Operation of the Facility shall commence the Day following MP's acceptance (which shall not be unreasonably withheld or delayed) of Seller's Notice that all conditions set forth in this **Section 4.5** have been successfully satisfied. An officer of Seller who has knowledge of the Facility must certify in written Notice to MP that all of the conditions set forth in this **Section 4.5** have been satisfied. Thereafter, MP shall have ten (10) Business Days to challenge the satisfaction of any condition set forth in this **Section 4.5** and if MP raises any such challenge, Seller shall provide MP with additional information establishing satisfaction of the condition. If the Parties are unable to agree upon satisfaction of the conditions to Commercial Operation, the matter shall be referred to dispute resolution in accordance with this Agreement. Seller must certify that:

4.5.1 Installation of Wind Turbines with an aggregate nameplate capacity equal to at least ninety-five percent (95%) of the Installed Capacity ("Minimum Capacity") have been completed. Seller is in full compliance with the terms of this Agreement, Seller is in material compliance with the Interconnection Agreement, and the Facility can be safely operated in conformance with this Agreement;

4.5.2 Seller has successfully completed testing of the Facility which is required by the Facility's Permits and the Interconnection Agreement;

4.5.3 Seller has executed all agreements and made all arrangements necessary to deliver the Contract Energy and Accreditable Capacity from the Facility to the Point of Delivery in compliance with the provisions of this PPA;

4.5.4 all Security arrangements in accordance with **Article 9** have been established in a form and in the amounts sufficient to meet the requirements of this Agreement and that Seller has provided MP with proof that such arrangements are in place;

4.5.5 certificates proving insurance coverages required by this Agreement have been submitted to MP; and

4.5.6 all Permits required to be obtained from any Governmental Authority to construct and/or operate the Facility in compliance with applicable Requirements of Law and this PPA have been obtained and are in full force and effect.

4.6 Buy-Down. If Seller established the Commercial Operation Date with less than the Installed Capacity but equal to or more than the Minimum Capacity, then Seller shall have an additional sixty (60) days after the Commercial Operation Date to complete construction and commissioning of Wind Turbines up to an aggregate nameplate capacity equal to at least one hundred percent (100%) of the Installed Capacity provided that Seller may, if it elects to do so in its sole and absolute discretion, pay to MP at any time on or before the sixtieth (60th) Day after the Commercial Operation Date a one-time capacity buy-down payment equal to (A) the number of MWs equal to the Installed Capacity less MP's Percentage of the Rated Capacity of the Wind Turbines and associated equipment that has been completed at the beginning of the Day the payment is made multiplied by (B) [TRADE SECRET DATA EXCISED] (the "Capacity Buy-Down Payment"), in which case the Installed Capacity shall for all purposes be equal to MP's Percentage of the Rated Capacity at the time of the Capacity Buy-Down Payment. The Capacity Buy-Down Payment shall not be subject to the Aggregate Damage Limitation under **Section 11.5**.

ARTICLE 5

INTERCONNECTION, DELIVERY AND METERING

5.1 Interconnection Service and Costs.

5.1.1 Seller shall apply for and use commercially reasonable efforts to obtain MISO (if applicable) or local utility interconnection service necessary to interconnect the Facility to the Electric Interconnection Point. If the interconnection is governed by MISO, Seller shall apply for Network Resource interconnection service as that term is defined in the MISO Tariff or comparably firm interconnection service sufficient to facilitate making the interconnected Facility available to MP's native load customers. Seller shall release deliverability study results to MP. Without limiting Buyer's right to terminate in accordance with **Section 1.2.2** and **Section 1.2.3** or Seller's right to terminate in accordance with **Section 1.3.1(b)** if the deliverability study findings determine that Network Resource status is not available, or is not available without substantial network upgrades for which Seller is unwilling to contribute in accordance with its respective obligation under any Tariff or for which Seller is compensated pursuant to the Contract Energy adjustment mechanism under **Section 3.3**, MP shall be

responsible for and procure transmission service as described in **Section 5.4**, provided that except as provided under alternative arrangements and agreed to by the Parties, MP is not responsible for any restriction or reduction of the Facility's output pursuant to this Facility's Interconnection Agreement resulting from conditional interconnection service or any Annual ERIS Evaluation or any Annual Interim Deliverability Study as provided under MISO BPM-015, as in effect as of the Effective Date.

5.1.2 If the Interconnection Agreement does not require MISO approval, Seller shall provide MP with such data and information about the interconnection as is necessary for MP to arrange for transmission service and otherwise meet its obligations under **Sections 5.3** and **5.4**.

5.2 Separate Interconnection Agreement. The Parties recognize that Seller will enter into a separate Interconnection Agreement with the Interconnection Provider.

5.2.1 The Parties acknowledge and agree that the Interconnection Agreement shall be a separate and free-standing contract regardless of Seller's counterparties to such an agreement, that nothing in the Interconnection Agreement shall alter or modify Seller's or MP's rights or obligations under this Agreement, and that nothing in this Agreement shall alter or modify Seller's rights or obligations under the Interconnection Agreement.

5.2.2 Seller recognizes that, for purposes of this Agreement, the Interconnection Provider shall be deemed to be a separate entity and separate contracting party whether or not the Interconnection Agreement is entered into with MP or an Affiliate of MP.

5.3 Transmission.

5.3.1 Seller shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver the Accreditable Capacity and Contract Energy, including Test Energy, from the Facility to MP at the Point of Delivery. Seller shall also be responsible for paying any transmission service charges required or assessed to either MP or Seller by non-MISO entities in connection with this PPA in connection with Seller's requirement to deliver the Accreditable Capacity and Contract Energy, including Test Energy, from the Facility to MP at the Point of Delivery.

5.3.2 MP shall be responsible for all electric losses, transmission and ancillary service arrangements and costs required to accept Contract Energy and Accreditable Capacity and shall arrange for transmission and delivery of the Contract Energy and Accreditable Capacity

from the Point of Delivery to MP's customers or any other point and MP shall bear all transmission and scheduling costs associated with accepting and transmitting the Facility's Accreditable Capacity and Contract Energy at and from the Point of Delivery to MP's customers or any other point. MP shall be responsible for any scheduling of the Contract Energy from the Point of Delivery to MP's customers or any other Person, including, without limitation, arranging any Open Access Same Time Information Systems, tagging, transmission scheduling or similar protocols from MISO or any other Persons. If at any time during the Term, either MP or the entity owning the transmission facilities at the Point of Delivery ceases to be a member of MISO or the facilities at the Point of Delivery cease to be subject to the MISO Tariff, then the Parties shall cooperate in good faith to amend this PPA to mitigate the impact of such changes on the Parties and to facilitate the delivery of Contract Energy from the Point of Delivery to MP's customers at no cost to Seller and at the least possible incremental cost to MP.

5.3.3 The Parties acknowledge and agree that the metering of the Contract Energy to be delivered pursuant to this PPA shall occur at the Point of Delivery and Seller shall be generally responsible for electric losses from transmission from the Facility to the Point of Delivery but not from the Point of Delivery to MP's customers or any other point.

5.4 Transmission Arrangements.

5.4.1 Subject, as provided in **Section 5.1.1**, to MP not being responsible for any restriction or reduction of the Facility's output pursuant to the Facility's Interconnection Agreement resulting from conditional interconnection service or any Annual ERIS Evaluation or any Annual Interim Deliverability Study as provided under MISO BPM-015, as in effect as of the Effective Date, MP shall be responsible for all transmission service arrangements for the total output of the Facility from the Point of Delivery. This may include, but is not limited to, network or point-to-point transmission service, or Network Integration Transmission Service. Seller, at no cost to it, shall cooperate and support MP's efforts to procure and maintain such transmission service arrangements.

5.4.2 Seller shall utilize Good Utility Practices in operating the Facility in compliance with the MISO Tariff. Seller shall not be responsible for imbalance payments for energy output deviations that satisfy MISO's Failure to Follow Dispatch Flag business manual practice applicable to intermittent energy sources, and such imbalance payments and charges shall be MP's responsibility as set forth in **Section 5.3.2**. The Parties recognize that (i) MISO or any New Joint Transmission Authority, or (ii) FERC and the applicable Electric Reliability Organization have established and approved electric market rules, including amendments thereto

that apply to MP's system and which allocate responsibility for imbalance or other payments associated with imbalances.

5.5 Electric Metering Devices. The Facility shall be designed to accommodate metering, generator telemetering equipment, and communications equipment that meet the requirements of this **Section 5.5**. To the extent not otherwise set forth in the Interconnection Agreement, metering equipment necessary for determining the Contract Energy, Test Energy and Accreditable Capacity (real and reactive) for billing purposes shall comply with MP's metering requirements for this installation and Electric Metering Devices shall include, but not be limited to, kWh and kvar meters, metering cabinets, metering panels, conduits, cabling, metering units, current transformers and potential transformers directly or indirectly providing input to meters or transducers, meter recording devices, telephone circuits, signal or pulse dividers, transducers, pulse accumulators and any other equipment necessary to implement the provisions of this Agreement. All Electric Metering Devices for billing purposes will be revenue billing grade devices and have an accuracy of at least +/- 0.2%. All instrument transformers used for metering will be metering class devices. Current transformers will have an accuracy of at least +/- 0.15% and voltage transformers will have an accuracy of at least +/- 0.3%. Current transformer ratios will be chosen to measure minimum power within the device's accuracy range. A primary meter and associated recording device shall measure and record the flow of Energy and Capacity (real and reactive) associated with the Facility. The meter shall measure the bidirectional watt-hour and var-hour quantities (or other quantities required by MP) and shall be used to determine the amount of Energy and Capacity received by MP from Seller.

5.5.1 To the extent not otherwise provided in the Interconnection Agreement, MP shall design, install, own, and maintain all Electric Metering Devices used to measure the Contract Energy and Accreditable Capacity made available to MP by Seller under this PPA and to monitor and coordinate operation of the Facility. If Electric Metering Devices are not installed at the Point of Delivery, meters or meter readings will be adjusted to reflect losses from the Electric Metering Devices to the Point of Delivery. All Electric Metering Devices used to provide data for the computation of payments shall be sealed, and only MP shall break the seal when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with this **Section 5.5**. MP shall specify the number, type, and location of such Electric Metering Devices.

5.5.2 MP shall, at its own expense, inspect and test all Electric Metering Devices owned by MP, and Seller shall, at its own expense, inspect and test all Electric Metering Devices owned by Seller, upon installation and at least annually thereafter. Each Party will be

provided with reasonable advance Notice of, and a representative of the other Party shall be permitted to witness and verify, such inspections and tests, provided that the requesting Party shall comply with all applicable safety standards and not unreasonably interfere with or disrupt the activities of the testing Party. Each Party shall, if reasonably requested, perform additional inspections or tests of any Electric Metering Device and shall permit a qualified representative of the other Party to inspect or witness the testing of any Electric Metering Device, provided further, that the requesting Party shall comply with all of the testing Party's safety standards and shall not unreasonably interfere with or disrupt the activities of the testing Party. The requesting Party shall bear the actual expense of any requested additional inspection or testing of the other Party's Electric Metering Device, unless upon such inspection or testing an Electric Metering Device is found to register inaccurately by more than the allowable limits established in this **Section 5.5**, in which event the expense of the requested additional inspection or testing shall be borne by the testing Party. The testing Party shall, if requested in writing, provide copies of any inspection or testing reports to the requesting Party.

In addition to the Electric Metering Devices, any Party may elect to install and maintain, at its own expense, backup metering devices ("Back-Up Metering"). This installation and maintenance shall be performed in accordance with Good Utility Practice and in a manner acceptable to MP. The installing Party, at its own expense, shall inspect and test Back-Up Metering upon installation and at least annually thereafter. The installing Party shall provide the other Party with reasonable advance Notice of, and permit a representative of the requesting Party to witness and verify, such inspections and tests, provided that the requesting Party shall comply with all applicable safety standards and shall not unreasonably interfere with or disrupt the activities of the installing Party. Upon request, the installing Party shall perform additional inspections or tests of Back-Up Metering and shall permit a qualified representative of the requesting Party to inspect or witness the testing of Back-Up Metering, provided that the requesting Party shall comply with all applicable safety standards and shall not unreasonably interfere with or disrupt the activities of the testing Party. The requesting Party shall bear the actual expense of any such requested additional inspection or testing, unless, upon such inspection or testing, Back-Up Metering is found to register inaccurately by more than the allowable limits established in this **Section 5.5**, in which event the expense of the requested additional inspection or testing shall be borne by the testing Party. The testing Party shall, if requested in writing, provide copies of any inspection or testing reports to the requesting Party.

5.5.3 If any Electric Metering Devices or Back-Up Metering is found to be inaccurate or defective, it shall be adjusted, repaired, replaced, and/or recalibrated as near as

practicable to a condition of zero error by the Party owning such defective or inaccurate device and at that Party's expense.

5.6 Adjustment for Inaccurate Meters. If an Electric Metering Device, or Back-Up Metering, fails to register, or if the measurement made by an Electric Metering Device, or Back-Up Metering, is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Electric Metering Device, or Back-Up Metering, for both the amount of the inaccuracy and the period of the inaccuracy, in the following manner:

5.6.1 If the Electric Metering Device is found to be inaccurate or defective, and Back-Up Metering has been tested and maintained in accordance with the provisions of this **Section 5.6**, the Parties shall use Back-Up Metering, if installed, to determine the amount of such inaccuracy. Back-Up Metering data shall be adjusted for losses if Back-up Metering is installed on the low side of Seller's step-up transformer. If Back-up Metering is also found to be inaccurate by more than one percent (1.0%) or no back-up metering was installed, the Parties shall use the SCADA data collected at each Wind Turbine in the Facility for the period of inaccuracy, adjusted as agreed by the Parties for losses occurring between each Wind Turbine and the Point of Delivery. If, and to the extent, such SCADA is incomplete or unavailable, the Parties shall estimate the amount of the necessary adjustment on the basis of deliveries of Contract Energy from the Facility during periods of similar operating conditions when the Electric Metering Device was registering accurately. The adjustment shall be made for the period during which inaccurate measurements were made.

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

5.6.3 MP shall use the corrected measurements as determined in accordance with this **Section 5.6** to recompute the amount due for the period of the inaccuracy to the extent that the adjustment period covers a period of deliveries for which payment has already been made by MP, and MP shall subtract the previous payments by MP for this period from such recomputed amount. If the difference is a negative number, that difference shall be paid by Seller to MP or, at the discretion of MP, may take the form of an offset to payments due Seller by

MP in an amount each month of no more than thirty percent (30%) of each applicable invoice; if the difference is a positive number, the difference shall be paid by MP to Seller. Payment of such difference by the owing Party shall be made not later than thirty (30) Days after the owing Party receives Notice of the amount due, except to the extent MP elects payment via an offset.

ARTICLE 6

FACILITY OPERATION AND MAINTENANCE

6.1 Facility Operations and Control. After the Commercial Operation Date, Seller shall staff, control, and operate the Facility consistent at all times with Good Utility Practice and according to the Operating Procedures developed pursuant to **Section 8.3**. Personnel capable of disconnecting the Facility shall be available twenty-four (24) hours per Day, three hundred and sixty-five (365) days per year, pursuant to such Notice as the Operating Committee shall decide. Seller shall ensure that personnel are available by telephone, email, fax and pager to ensure prompt response to contingencies.

6.2 Facility Planned Outages/Maintenance.

6.2.1 The provisions of this **Section 6.2** are subject in all respects to planning and coordination of Scheduled Outages/Deratings for the Facility being conducted in accordance with MISO Outage Operations Business Practices Manual – 008.

6.2.2 After the Commercial Operation Date, Seller shall maintain the Facility according to applicable warranty requirements, relevant equipment manufacturer's specifications, and Good Utility Practice(s).

6.2.3 Seller shall provide MP with an annual schedule of the expected Scheduled Outages/Deratings for the Facility ("Maintenance Schedule") on November 1 of each preceding year during the Term. Seller shall also provide no later than sixty (60) days before the end of each year during the Term, a Maintenance Schedule that describes expected maintenance activities for the following two (2) Commercial Operation Years. Seller will use commercially reasonable efforts to provide Notice to MP of Scheduled Outages/Deratings involving the Facility, other than as listed in the Maintenance Schedule, as soon as practicable.

6.2.4 Seller shall use commercially reasonable efforts to avoid or limit any Scheduled Outages/Deratings for the Facility, excluding outages associated with Emergencies and Forced Outages and any outages required consistent with Good Utility Practice, during any On-Peak Month. Seller shall use good-faith efforts to minimize such outages, to minimize the occurrence and duration of such outages during any On-Peak Month, and to schedule such outages after 9:00 p.m.

6.2.5 Not less than twenty-four (24) hours prior to commencement of any Scheduled Outage/Derating of the Facility, MP may request, by phone, fax or email, that Seller defer such scheduled maintenance. Subject to Good Utility Practice, Seller shall use commercially reasonable efforts to comply with any such request, including by requesting MISO's review and approval thereof pursuant to MISO's Outage Operations Business Practices Manual, Manual No. 008, or any successor manual or business practice (the "MISO Outage Manual") and seek to reschedule such deferred maintenance to a subsequent date mutually agreed upon between the Parties and by MISO, it being agreed that Seller shall have no obligation to reschedule any Scheduled Outage/Derating of the Facility absent approval thereof by MISO pursuant to the MISO Outage Manual. In connection with any such request by MP for deferral of scheduled maintenance, Seller shall provide to MP, in advance, a non-binding good-faith estimate of the incremental direct costs to be incurred by Seller in order to comply with such request. If MP desires Seller to incur such incremental costs at MP's expense, MP shall promptly advise Seller to that effect. Seller may then invoice MP for, and MP shall pay Seller for, all of the actual incremental direct costs incurred by Seller in connection with such deferral and rescheduling of maintenance. If MP does not agree in advance to reimburse Seller for such incremental costs, then it shall be reasonable for Seller to deny such rescheduling request of MP.

6.3 Forced Outages. Seller shall use commercially reasonable efforts to minimize the occurrence, scope and duration of Forced Outages at the Facility. During the Peak Hours of On-Peak Months, Seller shall use all commercially reasonable efforts to avoid or overcome any Forced Outages at the Facility. MP's exclusive remedy for breach of Seller of this **Section 6.3** shall be failure to achieve Mechanical Availability Percentage as set forth in **Section 3.2.1(a)**.

6.4 Outage Reporting. Seller shall operate the Facility in a manner that complies with all national and regional reliability standards, including standards set by MAPP, NERC, MISO, MEMA, the MRO, the FERC and the MPUC, or any successor agencies setting reliability standards for the operation of generating facilities.

6.5 Capacity Accreditation. Seller recognizes that MP has certain planning, operating and reporting requirements with MAPP and MISO. As between the Parties, MP is responsible for seeking MAPP and MISO accreditation of the Installed Capacity, and Seller agrees to cooperate with MP, including the provision of data necessary for MP to calculate Accreditable Capacity. Currently, no generator tests are required by MISO or MAPP for accreditation of renewable energy conversion facilities; to the extent such testing is required in the future, Seller shall be responsible for the costs associated with such testing.

6.6 Obligation to Rebuild. In the event of substantial damage to all or a substantial portion of the Facility, any insurance proceeds shall be applied in accordance with the terms of the Financing Documents or similar instruments defining the rights of lenders and investors in the Facility or Seller. Seller shall use commercially reasonable efforts to negotiate terms in the Financing Documents that require use of the proceeds for reconstruction of the damaged portion of the Facility. If at the time of the damage (i) there are no requirements of Financiers that prevent reconstruction; and (ii) MP is relying on the Facility to meet any state and/or federal requirement for renewable energy generation, then Seller shall apply the proceeds of any such insurance to rebuild or repair the Facility, provided that if the cost to repair or reconstruct the Facility exceeds the available insurance proceeds for reasons other than a default by Seller under this PPA, the Parties shall amend this Agreement to permit the reconstruction or repair on terms that make the Facility, as reconstructed or repaired, financially viable.

ARTICLE 7

BILLING AND PAYMENT

7.1 Billing Statement and Invoices.

7.1.1 The monthly billing period shall be the calendar month. No later than twelve (12) Days after the close of the billing month, Seller shall provide to MP, by electronic mail or such other method of delivery as mutually agreed to by the Parties, an invoice for the amount due Seller by MP, under this PPA, for the billing period covered by the statement. The invoice will show Contract Energy delivered from the Facility during the applicable month, all billing parameters, rates and factors, and any other data reasonably pertinent to the calculation of monthly payments due to Seller, including any amounts owing to Seller as a result of Compensated Curtailments. Seller will send adjustment invoices to Buyer as soon as practicable if any changes or adjustments by MISO that affect payment occur after Seller has already

invoiced MP. Payment for any such adjusted amounts will be made by Buyer on or before the twentieth (20th) Day following receipt of any such adjusted invoice

7.1.2 If MP disputes any amount in the invoice, MP shall describe items in dispute, as well as all supporting documentation upon which MP relies to dispute the invoice. Billing disputes shall be resolved in accordance with **Article 14**.

7.2 Payments. Payments due under this PPA shall be due and payable by electronic funds transfer in accordance with **Section 7.5**, as designated by the owed Party, on or before the twentieth (20th) Day following receipt of the billing invoice. Remittances received by first-class mail will be considered to have been paid when due if the postmark indicates the payment was mailed on or before the payment due date. If any amount due is not paid by the due date, the amount due shall bear interest on the unpaid balance at a rate equal to two percent (2%) plus the prime rate as determined by Wells Fargo, N.A. or its successor for the days of the late payment period multiplied by the number of days elapsed from and including the Day after the due date to and including the payment date.

7.3 Billing Disputes. Either Party may dispute invoiced amounts, but shall pay to the other Party at least the undisputed portion of invoiced amounts on or before the date on which payment is due. To resolve any billing dispute, the Parties shall use the dispute resolution procedures set forth in this Agreement. When the billing dispute is resolved, the Party owing shall pay the amount owed within five (5) Business Days of the date of such resolution, plus interest at the rate set forth in **Section 7.2**.

7.4 Billing and Payment Records. To facilitate payment and verification, Seller and MP shall keep all books and records necessary for billing and payments and grant the other Party reasonable access to those records. All records of Seller pertaining to the operation of a Facility shall be maintained on the premises of the Facility or some other mutually agreed-upon location for a minimum of six (6) years.

7.5 Wire Transfer. MP shall make payment of invoices via wire transfer, ACH or similar electronic means of immediately available funds to the Seller's account as instructed in writing from time to time by Seller to MP pursuant to the Notice provisions. MP shall be entitled to conclusively presume, without any liability whatsoever, that the payment information furnished by Seller is accurate, and will not be required to pay any bill more than once where the invoice was first paid in accordance with Seller's payment instructions.

7.6 Curtailments.

7.6.1 Except as expressly provided for in this **Section 7.6** and in **Article 11**, Seller shall be entitled only to payment for Contract Energy actually delivered to the Point of Delivery.

7.6.2 No payment shall be due to Seller for curtailments of delivery of Contract Energy from the Point of Delivery resulting from any of the following (each an "Excused Curtailment"): [TRADE SECRET DATA EXCISED].

7.6.3 Seller shall be compensated in the event and to the extent production and delivery of Contract Energy is curtailed [TRADE SECRET DATA EXCISED].

7.6.4 All Excused Curtailments and Compensated Curtailments shall be deemed to be delivered for purposes of calculating the Mechanical Availability Percentage in **Section 3.2**.

ARTICLE 8

INFORMATION AND IMPLEMENTATION

8.1 Pre-COD Reporting Obligations.

8.1.1 If it is required by any Governmental Authority, and within thirty (30) Days after completion, Seller shall provide MP with a copy of a report summarizing a Phase I environmental investigation conducted of the Site by an independent environmental engineer familiar with the Site.

8.1.2 At the times specified by the Major Milestones, Seller shall provide to MP copies of Permits governing the design and construction of the Facility, and redacted copies or summaries of major contracts affecting the Facility showing the identity of the contracting parties, their execution of the contract, a summary of services or work involved, and the date the contract was executed, so that MP may monitor Seller's progress in meeting its obligations under this Agreement.

8.1.3 On or about the first Day of each calendar month after execution of this PPA, and weekly after physical construction has commenced and until the Commercial Operation Date is achieved, Seller shall submit to MP a progress report, which shall notify MP in reasonable detail of the current status of each Major Milestone, Facility permitting, financing and

construction, and any other information that will permit MP to assess the status of progress toward Commercial Operation.

8.1.4 MP shall have the right to monitor the construction, start-up and testing of the Facility, and Seller shall cooperate with all reasonable requests of MP with respect to these events. All persons visiting the Facility on behalf of MP shall comply with all of Seller's applicable safety and health rules and requirements, and the requirements of any lease or Permit as to the Site. MP's technical review and inspection of the Facility shall not be construed as endorsing the design of such Facility nor as any warranty of safety, reliability, or durability of the Facility.

8.2 Post-Construction Information. Seller and MP shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this PPA, including such records as may be required by Governmental Authorities in the prescribed format. Seller and MP may examine the records and data kept by the other Party relating to transactions under and administration of this PPA, upon reasonable request and during normal business hours.

8.2.1 Seller shall maintain an accurate and up-to-date operating log, in electronic format, at the Facility with records of real and reactive power production for each clock hour, energy production dedicated to this PPA and energy production generated for other purposes, changes in operating status, Scheduled Outage/Deratings and Forced Outages, number of generating unit starts, and any unusual conditions found during inspections. The operating log shall be made available to MP upon reasonable request and subject to **Section 17.19**. Seller shall provide the described information to the extent the SCADA, controller or similar equipment monitoring the Facility is capable of measuring and retaining the information.

8.2.2 Appropriate representatives of MP shall at all reasonable times and with reasonable prior Notice have access to the Facility to read meters and to perform all inspections, maintenance, service, and operational reviews as may be appropriate to facilitate the performance of this PPA. While at the Facility, such representatives shall observe such reasonable health and safety precautions as may be required by Seller and the requirements of any lease or Permit as to the Site and shall conduct themselves in a manner that will not interfere with the operation of the Facility.

8.2.3 Each Party shall deliver or cause to be delivered to the other Party certificates of its officers, accountants, engineers or agents as to matters as may be reasonably

requested, and shall make available, upon reasonable request, personnel and records relating to the Facility to the extent that the requesting Party requires the same in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including, but not limited to, administrative proceedings before utility regulatory commissions. Information provided to another party pursuant to this **Section 8.2.3** may be subject to **Section 17.19**.

8.3 Operating Committee and Operating Procedures.

8.3.1 There shall be an Operating Committee established to assist the Parties in implementing their obligations under this Agreement. The Operating Committee shall have no authority to modify the terms or conditions of this PPA.

8.3.2 In accordance with **Section 17.1.1**, MP and Seller shall each appoint one representative and one alternate representative to act in matters relating to the Parties' performance obligations under this PPA and to develop operating arrangements for the generation, delivery and receipt of power and energy hereunder. Such representatives shall constitute the Operating Committee. The Parties shall notify each other in writing of such appointments and any changes thereto. The Operating Committee may only take action that is agreed to by both Parties' Representatives.

8.3.3 The Operating Committee shall provide liaison between the Parties with respect to implementation of the provisions of this Agreement. The Operating Committee shall develop mutually agreeable written Operating Procedures, which shall include, but not be limited to, method of day-to-day communications; metering, telemetering, telecommunications, and data acquisition procedures; key personnel list for applicable MP and Seller operating centers; clearances and switching practices; operating and maintenance scheduling and reporting; unit operations log; and such other matters as may be mutually agreed upon by the Parties.

8.3.4 The Operating Committee shall have the following additional functions, among all others specified elsewhere in this Agreement:

(a) To review and make recommendations regarding Seller's schedule for Scheduled Outages/Deratings and Facility maintenance;

(b) To review Seller's implementation of its obligations under this Agreement;

(c) To establish, prepare and discuss the statistical and administrative reports, budgets, and information and other similar records, and the form thereof, to be kept by and furnished by Seller and MP as required by this Agreement;

(d) To perform such other functions and duties as it may undertake from time to time in connection herewith or as may be assigned to it by the Parties and to make any recommendations to either Party deemed appropriate or desirable.

8.4 Wind Data and Capacity.

(a) Seller shall install sufficient measuring equipment at the Facility to collect data necessary to reasonably determine the amount of Facility generation under various conditions, including conditions where production from the Facility has been curtailed. Seller shall install by no later than the Commercial Operation Date a permanent meteorological tower of least eighty (80) meter height at the Site to provide the capability of measuring and recording representative wind data twenty-four (24) hours per day, which wind data shall be used to calculate any amounts due Seller under this PPA for curtailed or lost production. The tower required by this PPA may be provided on a nearby or adjacent site and serve more than one facility and shall be at a location reasonably determined by Seller with input from the Operating Committee. After the Commercial Operation Date, MP shall have the right on a real-time basis to access wind data from the meteorological tower electronically and Seller shall cooperate reasonably in providing such access, provided that MP shall hold all such data confidential pursuant to the terms of this Agreement. The Parties shall develop protocols and procedures through the Operating Committee for the determination of potential production under particular circumstances.

(b) Seller shall cooperate reasonably to assist MP in maximizing (pursuant to the terms and conditions of this Agreement) and determining the amount of Accreditable Capacity. Seller shall collect data and perform tests and calculations in compliance with Module E of the Tariff and MISO Business Practices Manual for Resource Adequacy, as they change from time to time. All required testing shall be conducted at Seller's expense.

ARTICLE 9

SECURITY

9.1 Security Amount.

9.1.1 Not later than thirty (30) Days after the Effective Date, Seller shall provide MP security in the amount of [TRADE SECRET DATA EXCISED] consisting of either or a combination of a letter of credit and/or cash escrow as set forth under **Section 9.2** ("Initial Development Security"). Upon the earlier of (i) Seller's delivery of the Stepped Up Development Security, or (ii) sixty (60) Days after termination of this Agreement, except as set forth in **Section 1.4**, Buyer shall promptly return the Initial Development Security to Seller.

9.1.2 Not later than thirty (30) Days after the date on which all MP contingencies under **Section 1.2.1** and all Seller contingencies under **Section 1.3.1** have been satisfied or waived as provided under those sections, Seller shall provide MP security in the amount of [TRADE SECRET DATA EXCISED] multiplied by the MP's Commitment ("Stepped Up Development Security") in a form acceptable under **Section 9.2**. Upon the earlier of (i) Seller's delivery of the Performance Security, or (ii) sixty (60) Days after termination of this Agreement, Buyer shall promptly return the Stepped Up Development Security to Seller.

9.1.3 Not later than the Commercial Operation Date, and as a condition thereto, Seller shall provide MP security for performance of the Facility when and as required hereunder, and for performance of all of Seller's other obligations hereunder to be performed over the Term of this Agreement following the Commercial Operation Date (the "Performance Security"). The Performance Security shall be available to pay any amount due MP pursuant to this PPA, and to provide MP security that Seller will properly operate and maintain the Facility and deliver Accreditable Capacity and Contract Energy to the Point of Delivery pursuant to this Agreement. The Performance Security shall also provide security to MP to cover damages, including, but not limited to, Availability Liquidated Damages, should the Facility fail to operate in accordance with this PPA. Seller shall establish the Performance Security at a level equal to [TRADE SECRET DATA EXCISED] multiplied by the Installed Capacity. Seller shall maintain the Performance Security at such required level, less the aggregate amount of any draws on such Performance Security, throughout the remainder of the Term.

9.2 Security Characteristics and Draw.

9.2.1 Except as set forth under **Section 9.1.1**, Security shall be composed of either a Guaranty, a letter of credit as described in **Section 9.2.3** or a cash escrow as described in **Section 9.2.2**, at Seller's option, or a combination of these options as long as the total amount of Security is no less than the amount then required. Notwithstanding the foregoing, the Guaranty amount may not comprise more than fifty percent (50%) of the overall total amount of Security. Seller shall be (i) permitted from time to time to change the form and combination of such posted Security provided that no Event of Default with respect to Seller then exists so long as MP is provided timely Notice of the change, and (ii) required, if Seller has provided Security, or any portion thereof, in the form of a Guaranty, if the entity or entities providing a Guaranty no longer qualify as a Guarantor, Seller shall within ten (10) Business Days of MP's Notice to do so: (A) replace such Guaranty with either a Guaranty from an entity or entities meeting the requirements as a Guarantor and/or (B) deliver a letter of credit or performance bond as described in **Section 9.2.2** and/or (C) supply a cash escrow as described in **Section 9.2.2**, at Seller's option, in any case, in the aggregate amount of the then applicable required Security, less the aggregate amount of any prior draws on such Security. Upon receipt of such substitute Security, any such Guaranty shall be deemed cancelled.

9.2.2 If Seller elects to utilize a cash escrow as Security, it shall establish an interest-bearing escrow account with a commercial bank or other mutually acceptable escrow agent as escrow agent, and the account shall name MP as the exclusive beneficiary for the duration of the existence of the escrow account. The escrow account shall be in United States currency, and funds in the account may be invested in a money-market fund, short-term treasury obligations, investment-grade commercial paper or other investment-grade investments with maturities of three (3) months or less. All income and interest earned on the accounts held in the escrow account shall accrue for the benefit of Seller, and Seller may withdraw the income and interest earned at any time as long as the balance in the account after the withdrawal meets the minimum funding requirements of this **Section 9.2**. The escrow agreement shall require the escrow agent to notify MP of the balance in the escrow account from time to time. The escrow agreement governing the account shall include terms that (i) prohibit termination of the account prior to establishment of alternative Security that satisfies all the requirements of this PPA; (ii) require Notice of no less than sixty (60) Days by the escrow agent to MP prior to any termination of the account; and (iii) allow MP to draw the entire balance in the escrow account up to the amount of the Security if Security has not been replaced in accordance with this Agreement at least five (5) Business Days prior to the expiration or termination of the escrow

account, and MP shall hold such amounts in lieu of escrow until such time as the Security has been replaced, at which time the funds shall be returned to Seller. At the end of the Term, any balance remaining in the escrow account shall be returned or released to Seller.

9.2.3 In conjunction with or instead of a Guaranty or cash security as provided in **Section 9.2.2**, Seller may provide Security in the form of an irrevocable letter of credit in a commercially reasonable form and otherwise in compliance with the requirements of this **Section 9.2** and in form and substance acceptable to the Issuer (as defined below) (the "LOC"). [TRADE SECRET DATA EXCISED] The LOC must: (i) be issued for a minimum term of three hundred and sixty (360) Days, and, where permitted by the Issuer, shall be automatically extended for a period of one (1) year on each successive expiration date unless, at least ninety (90) Days before the current expiration date, the Issuer notifies Seller and MP by certified mail that the Issuer has decided not to extend the letter of credit; (ii) provide that draws shall be payable upon presentation of a sight draft executed by an officer of MP substantially in the form approved by MP; and (iii) expressly permit partial and multiple draws. Any unused portion of the letter of credit shall be available, regardless of renewal, through the then current expiration date. Seller may replace the letter of credit with another Issuer which includes a provision for at least ninety (90) Days advance Notice to MP and shall cause the renewal or extension of the LOC meeting the criteria set forth in this **Section 9.2.3** within thirty (30) days prior to the expiration or cancellation of the then current LOC, and failure to do so shall authorize MP to draw immediately upon the then current LOC. MP shall then, at Seller's cost and with Seller's funds, place the amounts so drawn in an interest bearing escrow account in accordance with **Section 9.2.2** above, until and unless Seller provides a substitute form of such security meeting the requirements of this **Section 9.2**. Security in the form of an irrevocable standby letter of credit shall be governed by the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Brochure No. 500 or as otherwise required by the Issuer of the LOC.

9.2.4 Seller shall provide Guarantor's annual audited financial statements to MP within one hundred twenty (120) days after the end of each calendar year. MP shall have the right to monitor the financial condition of Seller, Guarantor, and the Issuer to the extent set forth herein, and Seller shall provide written Notice to MP within five (5) Business Days of becoming aware that (i) the Issuer does not satisfy the requirements of the second sentence of **Section 9.2.3**, [TRADE SECRET DATA EXCISED] or (iii) if the Guarantor is not Tenaska Energy, Inc. and Tenaska Energy Holdings, such Person does not have an Investment Grade Credit Rating, and in such event Seller shall provide alternative Security as soon as practicable

that complies with this **Section 9.2.4** and in no event later than thirty (30) Days after becoming aware of the Issuer's or a Guarantor's failure to meet the requirements of this **Article 9**.

9.3 Release of Security. Promptly following the termination of this PPA and the completion of all Seller's obligations under this PPA, MP shall release the Security (including any accumulated interest, if applicable) to Seller.

9.4 Permitted Draws; Effects of Draws. In addition to any other remedy available to it, MP may, before or after termination of this PPA, draw against the Security to satisfy any undisputed obligations of Seller to MP arising under this Agreement (including, without limitation, the payment of Availability Liquidated Damages, if any, or any indemnification obligations) which Seller has not otherwise paid or performed when due, after any required Notice and opportunity to cure. If MP draws against the Security and Seller subsequently disputes MP's entitlement to any portion of the funds drawn, neither MP's draw, the Issuer's payment under the LOC, nor Seller's replenishment of the Security or reimbursement of the Issuer or escrow agent shall constitute a waiver of Seller's rights to seek recovery of any amount disputed. To the extent MP elects to draw upon the Security to satisfy obligations that otherwise constitute, or might constitute, an Event of Default by Seller and entitle MP to terminate this Agreement, MP's draw against the Security shall be deemed a cure of such Event of Default and shall waive MP's right to terminate in that respect. With respect to any Event of Default by Seller that remains uncured and which could be cured by payment of an undisputed amount to MP, MP shall first draw upon the Security to cure the Event of Default, and only if such Security is insufficient to cure the Event of Default shall any right of termination which MP may otherwise have be exercised by MP.

ARTICLE 10

FORCE MAJEURE

10.1 Applicability of Force Majeure. A Party shall not be responsible, liable or in default with respect to any delay or failure to perform hereunder if, and to the extent, the delay or failure is substantially caused by Force Majeure. The Party affected by Force Majeure shall exercise commercially reasonable efforts to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

10.2 Force Majeure Procedures.

10.2.1 A Party delayed in performing or unable to perform any obligation hereunder by reason of Force Majeure shall give Notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as practicable after the occurrence of the cause relied upon.

10.2.2 Telephone, facsimile or email Notices given pursuant to this **Section 10.2** shall be confirmed in writing as soon as reasonably possible and shall specifically state the full particulars of the Force Majeure, the time and date when such Force Majeure occurred and when the Force Majeure is reasonably expected to cease.

10.2.3 A Party's suspension of performance due to a Force Majeure shall be no longer or broader than necessary as a result of the Force Majeure, and the Party claiming Force Majeure shall resume full performance of its obligations as promptly as possible.

10.2.4 When the non-performing Party is able to resume performance of its obligations under this PPA, that Party shall give the other Party written Notice to that effect.

10.3 Limitations on Force Majeure. In no event will any delay or failure of performance caused by any conditions or Force Majeure extend this PPA beyond its stated Term. If any delay or failure of performance caused by Force Majeure continues for an uninterrupted period of three hundred sixty-five (365) Days from its inception, the Party not claiming Force Majeure may, at any time following the end of such three hundred sixty-five (365) Day period, terminate this PPA upon written Notice to the affected Party, without further obligation by either Party except as to costs and balances incurred prior to the effective date of such termination. The Party not claiming Force Majeure may, but shall not be obligated to, extend such three hundred sixty-five (365) Day period, for at least one hundred eighty (180) Days, and such additional time as it, at its sole discretion, deems appropriate, if the affected Party is exercising due diligence in its efforts to cure the Force Majeure.

ARTICLE 11

DEFAULT, TERMINATION, AND REMEDIES

11.1 Events of Default of Seller. Any of the following shall constitute an "Event of Default" of Seller:

11.1.1 Seller's Abandonment of the Facility;

11.1.2 Seller's failure to achieve the COD by the Commercial Operation Milestone and Seller has failed to cure such failure within one hundred eighty (180) Days after such Milestone for reasons other than Force Majeure or a delay or Event of Default by MP, provided that if during such one hundred (180) Day period Seller provides a written opinion from a mutually agreeable independent engineer that the COD can reasonably be achieved within an additional ninety (90) Day period, then Seller shall be allowed a total period not to exceed two hundred seventy (270) Days after the Commercial Operation Milestone to achieve the COD;

11.1.3 Seller's assignment of this PPA or any of its rights hereunder for the benefit of creditors (except for an assignment to Financier as security under the Financing Documents as permitted by this PPA);

11.1.4 Seller's filing of a petition in bankruptcy or insolvency for dissolution or liquidation under the bankruptcy laws of the United States or under any insolvency act of any state, or the filing of such a petition by another Person against Seller seeking dissolution or liquidation, and Seller's failure to obtain the dismissal of the petition within ninety (90) Days;

11.1.5 The sale by Seller to a third party, or diversion by Seller for any use by a third party, of Accreditable Capacity, Contract Energy, or any associated Green Tags to which MP is entitled under this PPA except as expressly allowed under this Agreement;

11.1.6 Seller's failure to establish and maintain the funding of the Security as and in the amounts required;

11.1.7 Seller's failure to make any payment required under this PPA unless such payment is subject to a good-faith dispute;

11.1.8 Seller's assignment of this PPA, or Seller's sale or transfer of its interest, or any part thereof, in the Facility, except as permitted by this Agreement to the extent such assignment is not deemed void;

11.1.9 Any representation or warranty made by Seller in this PPA shall prove to have been false or misleading in any material respect when made or any covenant made by Seller ceases to remain true during the Term if such cessation would reasonably be expected to result in a material adverse impact on MP, provided that Seller shall have a reasonable time not exceeding thirty (30) Days to correct the false or misleading condition; and/or

11.1.10 Seller's failure to comply with any other material obligation under this PPA, which would result in a material adverse impact on MP that does not constitute a separate event of default or provide for an exclusive remedy or liquidated damages.

11.2 Events of Default of MP. Any of the following shall constitute an "Event of Default" of MP:

11.2.1 MP fails to make a payment due to Seller that is not subject to a good-faith dispute when such payment is due;

11.2.2 MP's dissolution or liquidation, provided that division of MP into multiple entities, or other corporate reorganization, shall not constitute dissolution or liquidation if, but only if, the legal entity remaining obligated hereunder, together with any guarantor of MP's obligations hereunder, meets the requirements of the second sentence of **Section 16.1.2**;

11.2.3 MP's assignment of this PPA or any of its rights hereunder for the benefit of creditors;

11.2.4 MP's filing of a petition in bankruptcy or insolvency for dissolution or liquidation under the bankruptcy laws of the United States or under any insolvency act of any state, or the filing of such a petition by another Person against MP seeking dissolution or liquidation, and MP's failure to obtain the dismissal of the petition within ninety (90) Days;

11.2.5 Any representation or warranty made by MP in this PPA shall prove to have been false or misleading in any material respect when made or ceases to remain true during the Term if such cessation would reasonably be expected to result in a material adverse impact on Seller;

11.2.6 MP's assignment of this PPA except as permitted by this Agreement to the extent such assignment is not deemed void;

11.2.7 MP's failure or refusal to accept delivery of Contract Energy at the Point of Delivery, or Seller's inability to generate and proffer Contract Energy at the Point of Delivery as a result of MP's act or omissions, for reasons other than an Excused Curtailment, Economic Curtailments, or a Compensated Curtailment where the applicable payment is made to Seller with respect to such curtailment pursuant to the terms of the PPA; or

11.2.8 MP's failure to comply with any other material obligation under this PPA, which would result in a material adverse impact on Seller.

11.3 Remedies. Upon the occurrence of any curable default, the non-defaulting Party shall provide the defaulting Party with Notice of the default and a reasonable opportunity to cure, such period not to exceed twenty (20) Days with respect to any failure to pay described in **Sections 11.1.7** and **11.2.1** or thirty (30) Days from such Notice with respect to any other default. For any default which has not been cured in the time required, the non-defaulting Party may, at its option, do any, some or all of the following:

11.3.1 Terminate this Agreement to the extent permitted by **Section 11.4**;

11.3.2 Offset from any payments due from the non-defaulting Party to the defaulting Party any amount otherwise due;

11.3.3 Seek damages in such amounts and on such bases for the default as authorized by this Agreement; and/or

11.3.4 In the case of a default by Seller, MP may draw on the Security as the case may be in the amount of any damages subject to the terms of **Article 9**.

11.4 Termination. Upon the occurrence and continuation of an Event of Default which has not been cured within the time required or otherwise waived, as provided for in this Agreement, the non-defaulting Party shall have the right to terminate this PPA by Notice to the non-defaulting Party without further obligation to the defaulting Party except for obligations arising or accruing prior to the date of termination.

11.4.1 Upon the termination of this PPA under this **Section 11.4** except with respect to a default of Seller under **Section 11.1.2**, the exclusive remedy for which is set forth in **Section 4.4**, the non-defaulting Party shall be entitled to receive from the defaulting Party all of the actual damages incurred by the defaulting Party to the extent allowed by law including, if Seller is the defaulting Party, Availability Liquidated Damages as and when allowed by this Agreement, up to the Aggregate Damage Limitation set forth in **Section 11.5**, and subject to the limitations of **Section 1.4, Section 11.10** and other provisions of this PPA, and if MP is the defaulting Party, damages equal to the present value (using an appropriate discount rate agreed to by Seller and MP or as determined pursuant to **Article 14**) of the estimated payments under this Agreement minus the net present value (using the same discount rate) of amounts payable by a substitute purchaser (but not less than zero) and the value of any PTC Benefit determined on an after-tax basis, that is lost by Seller or an Affiliate due to an Event of Default of MP that Seller has not been able to mitigate after use of commercially reasonable efforts, but in no event more than the sum of the net present value of the remaining estimated payments under this PPA plus

the PTC Benefit determined on an after-tax basis, that is lost by Seller or an Affiliate due to an Event of Default of MP.

11.4.2 Applicable provisions of this PPA shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination and, as applicable, to provide for: final billings and adjustments related to the period prior to termination, repayment of any money due and owing to either Party pursuant to this PPA, repayment of principal and interest associated with Security, and the indemnifications specified in this PPA.

11.4.3 If the existence of an Event of Default or a Party's right to terminate this Agreement is disputed, and the dispute has been submitted to dispute resolution pursuant to **Article 14**, the Party claiming the right to terminate shall not be able to exercise that right until the conclusion of dispute resolution or any other applicable legal proceeding resolving the dispute.

11.5 Aggregate Damage Limitation. Subject to **Section 1.4** and except as otherwise provided in this **Section 11.5**, Seller's aggregate liability to MP for Availability Liquidated Damages and other damages prior to the Commercial Operation Date as set forth under **Section 4.5** shall not exceed [TRADE SECRET DATA EXCISED] multiplied by the MP's Commitment. After the Commercial Operation Date and except as otherwise provided in this **Section 11.5**, Seller's aggregate liability to MP for Availability Liquidated Damages and other damages shall not exceed [TRADE SECRET DATA EXCISED] times the Installed Capacity (the "Aggregate Damage Limitation"). If MP incurs such damages and after MP's application of (i) all Security available under this PPA, (ii) any amounts offset against obligations of MP to Seller and (iii) payments made by Seller, Financiers or other Persons toward such damages, there remains a balance due to MP which Seller fails to pay as required, then MP may terminate this Agreement pursuant to **Sections 11.1.7** and **11.4** The Aggregate Damage Limitation shall not apply to damages caused by or arising out of any of the following events and any such damages shall be due and payable without regard to the Aggregate Damage Limitation:

11.5.1 material intentional misrepresentation or intentional misconduct sanctioned by, or at the direction of, Seller in connection with this PPA;

11.5.2 the sale or diversion by Seller to another Person of Accreditable Capacity or Contract Energy to which MP is entitled under this PPA except to the extent permitted by this Agreement;

11.5.3 Seller's failure to apply any insurance proceeds to reconstruction of the Facility following a casualty as required by **Section 6.7**;

11.5.4 any claim for Indemnification arising under **Article 12** of this Agreement; or

11.5.5 any Environmental Contamination caused by Seller.

11.6 Seller's Right to Mitigate Damages. If MP fails to accept delivery of any Contract Energy, except for curtailment as permitted by **Sections 6.6** and **7.6** of this Agreement, (i) for a period of five (5) or more continuous Days or (ii) for any period after the sum of the number of Days described in clause (i) of this **Section 11.6** exceeds fifteen (15), notwithstanding any provision herein to the contrary, Seller shall be entitled to sell the Energy, Capacity and associated Green Tags produced by the Facility to MISO or another Person until such time as MP provides Notice to Seller that MP will resume receipt of delivery of the Contract Energy, and the net income from any such third-party sales shall be in the nature of mitigation of Seller's damages arising from MP's breach of its obligation to accept delivery of Contract Energy.

11.7 Specific Performance. Each Party recognizes that MP is relying upon the availability of the Installed Capacity and Contract Energy provided from the Facility and that this Agreement is a significant asset of Seller. Subject to **Section 1.4**, each Party further agrees that, if it defaults under this Agreement, and if the other Party thereafter brings an action seeking specific performance of this Agreement, the defaulting Party shall not defend against such action on the basis of the non-defaulting Party having an adequate remedy at law, provided that if MP is successful in obtaining a remedy against Seller for specific performance of this Agreement, in no event shall Seller be obligated to incur costs or expend amounts in an amount greater than Seller's aggregate liability to MP as specified in **Section 11.5**. Without limiting the rights of either Party as otherwise set forth in this Agreement, each Party hereby waives any and all rights to invoke any defenses to its respective obligations to perform under this Agreement to the extent based on the doctrines of commercial impracticability, impossibility of performance or frustration of purpose.

11.8 Remedies Cumulative. Subject to **Section 1.4** and the Aggregate Damage Limitation, and provisions of **Section 11.10** and except where an exclusive remedy or liquidated damages are provided, each right or remedy of the Parties provided for in this PPA shall be cumulative of and shall be in addition to every other right or remedy provided for in this PPA, and the exercise, or the beginning of the exercise, by a Party of any one or more or the rights or

remedies provided for herein shall not preclude the simultaneous or later exercise by such Party of any or all other rights or remedies provided for herein.

11.9 Waiver and Exclusion of Other Damages. The Parties confirm that the express remedies and measures of damages provided in this PPA satisfy the essential purposes hereof. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct, actual damages only. Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary or indirect damages; lost profits; or other business interruption damages by statute, in tort or contract (except to the extent expressly provided in this PPA); provided, that if either Party is held liable to a third party for such damages and the Party held liable for such damages is entitled to indemnification therefor from the other Party hereto, the Indemnifying Party shall be liable for, and obligated to reimburse the Indemnified Party for, such damages. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient, and that the liquidated damages constitute a reasonable approximation of the harm or loss. MP further acknowledges that in the event MP fails or refuses to accept delivery of Contract Energy, except as otherwise permitted by this Agreement, the resulting loss of PTC Benefits by Seller shall be considered direct and actual damages incurred by Seller and not consequential damages.

11.10 Payment of Amounts Due to MP. Without limiting any other provisions of this **Section 11.10** and at any time before or after termination of this PPA, MP may send Seller an invoice for such damages or other amounts as are due to MP at such time from Seller under this PPA and any invoiced amounts not subject to good-faith dispute shall be payable within thirty (30) Days. MP may offset all such undisputed amounts from any monthly invoice due and owing to Seller up to a maximum amount equal to thirty percent (30%) of the invoice, and MP may withdraw funds from the Security as needed to provide payment for such undisputed amounts to the extent any such amounts are not paid by Seller or offset by MP on or before the tenth (10th) Business Day following the invoice due date.

11.11 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages in accordance with Applicable Law.

ARTICLE 12

INDEMNITY

12.1 Indemnification. Each Party (the "Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party and its directors, officers, employees, members or agents (the "Indemnified Party") from and against all third-party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to persons and damage to the Indemnified Party's real property and tangible property or facilities or the property of any other Person to the extent arising out of, resulting from, or caused by an Event of Default under this PPA, a violation of any applicable environmental laws, or the negligent or intentional tortious acts, errors, or omissions of the Indemnifying Party or its directors, officers, employees, or agents. Nothing in this **Section 12.1** shall enlarge or relieve Seller or MP of any liability to the other for any breach of this Agreement. This indemnification obligation shall apply notwithstanding any negligent or intentional acts, errors or omissions of the Indemnified Party, but the Indemnifying Party's liability to pay damages to the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party's negligent or intentional acts, errors or omissions caused the damages. Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

12.2 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Agreement as a result of a claim by a non-party, and the Indemnifying Party fails, after Notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party, contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

12.3 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this **Article 12**, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual loss, net of any insurance or other recovery.

12.4 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any claim or Notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in **Section 12.1** may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such Notice

shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

12.4.1 The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

12.4.2 The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

12.5 Damages. Except as otherwise provided in this **Article 12**, if a Party is obligated to indemnify and hold the an Indemnified Party harmless under this **Article 12**, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's actual loss net of any insurance proceeds received by the Indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

ARTICLE 13

INSURANCE

13.1 Evidence of Insurance. Prior to the start of construction and annually thereafter on or prior to any policy renewal date, Seller shall provide MP with copies of insurance

certificates acceptable to MP evidencing that insurance coverages for the Facility are in compliance with the specifications for insurance coverage set forth below in this **Article 13**. Such certificates shall (a) reflect MP as an additional insured (except workers' compensation, builder's risk and property insurance); (b) provide that MP shall receive thirty (30) Days' prior written Notice of cancellation of any of the corresponding policies (except that such Notice shall be ten (10) Days for non-payment of premiums); (c) provide a waiver of any rights of subrogation against MP and its affiliated entities and their officers, directors, agents, subcontractors, and employees; and (d) indicate that the Commercial General Liability and/or Umbrella/Excess Liability policy has been endorsed as described above. All policies shall be written with insurers licensed to provide insurance in Minnesota with a Best's rating of A- or better and a financial category of VIII or better. All policies shall be written on an occurrence basis or other basis acceptable to MP, except as provided in this **Article 13**. All policies shall contain an endorsement that Seller's policy shall be primary in all instances regardless of like coverages, if any, carried by MP. Seller's liability under this PPA is not limited to the amount of insurance coverage required herein.

13.2 General Liability and Umbrella/Excess Liability Insurance. Commercial General Liability ("CGL") or Commercial Umbrella/Excess Liability ("EL") insurance shall be procured at a minimum limit of coverage of Twenty Million Dollars ($20,000,000) combined single limit each occurrence and the aggregate, where applicable. If such insurance contains a general aggregate limit, it shall apply separately to the Facility.

13.2.1 CGL insurance, if provided, shall be written on ISO occurrence form CG 00 01 10 01 (or a substitute form providing equivalent coverage and acceptable to MP) and shall cover liability arising from operations, products/completed operations, premises, independent contractors, property damage, personal injury and advertising injury, contracts, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), all with limits as specified above. There shall be no endorsement or modification of the CGL insurance limiting the scope of coverage for liability arising from collapse, explosion, or underground property damage. EL coverage, if provided, may be provided on an AEGIS claims-made form.

13.2.2 MP shall be included as an additional insured under the CGL policy, using ISO additional insured endorsement CG 20 10 10 01 (or an updated substitute providing equivalent coverage), and shall be included under the Commercial Umbrella Liability insurance. The EL insurance shall provide coverage in excess of the CGL insurance, the Business Automobile Liability insurance, and the Employers Liability insurance. The EL insurance, in

addition to the underlying coverages, will provide a minimum of Twenty Million Dollars ($20,000,000) in limits. MP shall be included as an additional insured under the EL policy through a blanket additional insured endorsement.

13.2.3 The CGL and/or EL insurance to be obtained by or on behalf of Seller shall be endorsed as follows: "Such insurance as afforded by this policy for the benefit of MP shall be primary as respects any claims, losses, expenses, damages including reasonable attorneys' fees or liabilities arising out of this Agreement, and insured hereunder, and any insurance carried by MP shall be excess of and noncontributing with insurance afforded by this policy."

13.3 Business Automobile Liability Insurance. If applicable, Business Automobile Liability insurance shall be procured at a level of One Million Dollars ($1,000,000) per accident combined single limit bodily injury and property damage including all owned, non-owned, hired and leased autos. Business Automobile Liability insurance shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or an updated form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

13.4 Workers' Compensation Insurance. Workers' Compensation insurance shall be procured at the level required by relevant state statutes. Seller may comply with these requirements through the use of a qualified self-insurance plan.

13.5 Employers Liability Insurance. Employers Liability insurance shall be procured at the level of One Million Dollars ($1,000,000) each accident for bodily injury by accident, or One Million Dollars ($1,000,000) per employee for bodily injury by disease.

13.6 Builder's Risk Insurance. If applicable, Builder's Risk insurance shall be procured with a limit equal to the replacement value of the Facility except for the perils of flood and earthquake which may have a sub-limit of no less than Twenty-Five Million Dollars ($25,000,000). Builder's Risk insurance, or an installation floater, shall include coverage for earthquake and flood, resulting damage from faulty workmanship, collapse, materials and design, testing of machinery or equipment, and debris removal. There shall be no limitation of coverage for occupancy prior to full completion and acceptance. Such Builder's Risk policy may contain a series loss clause. Design defect language will be equal to LEG 2 or higher.

13.7 Property Insurance. Broad Form Property insurance, covering physical loss or damage to the Facility, shall be procured at the full replacement value of the Facility or with

lower limits acceptable to MP. A deductible may be carried, which deductible shall be the responsibility of Seller. Property insurance shall include coverage for flood, fire, wind and storm, tornado and earthquake with respect to facilities similar in construction, location and occupancy to the Facility, with sub-limits of no less than Twenty-Five Million Dollars ($25,000,000) annual aggregate each for flood and earthquake. The Broad Form Property policy may contain a serial-loss clause and design defect language equal to LEG2 or higher.

13.8 Term and Modification of Insurance.

13.8.1 All liability insurance(s) required under this PPA shall cover occurrences during the Term or occurrences which occur during the Term but are not reported for a period of up to two (2) years after the Term. If any insurance as required herein is commercially available only on a "claims-made" basis, such insurance shall provide for a retroactive date not later than the Commencement Date or the date that an occurrence-based form is no longer purchased and such insurance shall be maintained by Seller, with a retroactive date not later than the retroactive date required above, for a minimum of three (3) years after the Term.

13.8.2 If any insurance required to be maintained by Seller hereunder ceases to be reasonably available and commercially feasible in the commercial insurance market, Seller shall provide written Notice to MP, accompanied by a certificate from an independent insurance advisor of recognized national standing, certifying that such insurance is not reasonably available and commercially feasible in the commercial insurance market for electric generating plants of similar type, geographic location and capacity. Upon receipt of such Notice, Seller shall use commercially reasonable efforts to obtain other insurance which would provide comparable protection against the risk to be insured and MP shall not unreasonably withhold its consent to modify or waive such requirement.

ARTICLE 14

DISPUTE RESOLUTION

14.1 Dispute Resolution. The Parties will use reasonable efforts to resolve disputes informally and without the need to resort to litigation.

14.1.1 For all disputes that arise pursuant to the PPA, the Parties immediately, through their designated representatives selected in the sole discretion of each Party (individually, the "Party Representative"; together, the "Parties' Representatives"), shall negotiate with one another in good faith in order to reach resolution of the dispute. Such

negotiation shall commence within fourteen (14) Days of the date of the letter from one Party Representative to the other Party Representative notifying that Party of the nature of the dispute.

14.1.2 If the Parties' Representatives cannot agree to a resolution of the dispute within thirty (30) Days after the commencement of negotiations, written Notice of the dispute (the "Dispute Notice"), together with a statement describing the issues or claims, shall be delivered, within seventy-two (72) hours after the expiration of such thirty (30) Day period, by each of the Parties' Representatives to its respective senior officer or official (such senior officer or official to be selected by each of the Party Representatives in his or her sole discretion, provided that such senior officer or official has authority to bind the respective Party). Within three (3) Business Days after receipt of the Dispute Notice, the senior officers or officials for both Parties shall commence negotiating in good faith to resolve the dispute.

14.1.3 If the Parties are unable to resolve the dispute within fourteen (14) Days of receipt of the Dispute Notice by the senior officers or officials or a Party refuses to participate in such negotiations on the timelines provided herein, either Party may seek available legal remedies.

14.2 Governing Law. The interpretation and performance of this PPA and each of its provisions shall be governed and construed in accordance with the laws of the State of Minnesota, without regard to its conflict of laws principles of the United States of America, as applicable. The Parties hereby submit to the exclusive jurisdiction of the federal courts of the State of Minnesota. To the extent that the federal courts lack subject matter jurisdiction over any dispute (through lack of diversity or otherwise) the Parties hereby submit to the exclusive jurisdiction of the applicable Minnesota District Court.

ARTICLE 15

REPRESENTATIONS, WARRANTIES AND COVENANTS

15.1 Seller's Representations, Warranties and Covenants. Seller hereby represents and warrants as of the Effective Date as follows:

15.1.1 Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Minnesota. Seller is qualified to do business in each other jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller, and Seller has all requisite power and authority to

conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

15.1.2 The execution, delivery, and performance of its obligations under this PPA by Seller have been duly authorized by all necessary company action, and do not and will not:

(a) require any consent or approval by any governing body of Seller, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to MP upon its request);

(b) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to Seller or violate any provision in any formation documents of Seller, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this PPA;

(c) result in a breach or constitute a default under Seller's formation documents or bylaws, or under any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this PPA; or

(d) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this PPA.

15.1.3 This PPA is a valid and binding obligation of Seller, subject to the contingencies identified in **Section 1.3**.

15.1.4 The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which Seller is a party or any judgment, order, statute, or regulation that is applicable to Seller or the Facility.

15.1.5 To the best knowledge of Seller, and except for those Permits identified in **Exhibit D**, which Seller anticipates will be obtained by Seller in the ordinary course of business,

all Permits required by any Governmental Authority to authorize Seller's execution, delivery and performance of this PPA have been duly obtained and are in full force and effect.

15.1.6 Seller intends to comply with all applicable local, state, and federal laws, regulations, and ordinances, including, but not limited to, any applicable equal opportunity and affirmative action requirements and all applicable federal, state, and local environmental laws and regulations presently in effect or which may be enacted during the Term of this PPA.

15.1.7 Seller shall disclose to MP, to the extent that, and as soon as it is known to Seller, any violation of any environmental laws or regulations arising out of the construction or operation of the Facility, or the presence of Environmental Contamination at the Facility or on the Site, alleged to exist by any Governmental Authority having jurisdiction over the Site, or the existence of any past or present enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination.

15.2 MP's Representations, Warranties and Covenants. MP hereby represents and warrants as follows:

15.2.1 MP is an operating division of ALLETE, Inc., a corporation duly organized, validly existing and in good standing under the laws of the State of Minnesota and is qualified in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of MP, and MP has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

15.2.2 The execution, delivery, and performance of its obligations under this PPA by MP have been duly authorized by all necessary corporate action, and do not and will not:

(a) require any consent or approval of MP's Board of Directors, or shareholders, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to Seller upon its request);

(b) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to MP or violate any provision in any corporate documents of MP, the violation of which could have a material adverse effect on the ability of MP to perform its obligations under this PPA;

(c) result in a breach or constitute a default under MP's corporate charter or bylaws, or under any agreement relating to the management or affairs of MP, or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which MP is a party or by which MP or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of MP to perform its obligations under this PPA; or

(d) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of MP now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of MP to perform its obligations under this PPA.

15.2.3 This PPA is a valid and binding obligation of MP, subject to the contingencies identified in **Section 1.2**.

15.2.4 The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which MP is a party or any judgment, order, statute, or regulation that is applicable to MP.

15.2.5 To the best knowledge of MP, and except for the contingencies set forth in **Section 1.2**, all approvals, authorizations, consents, or other action required by any Governmental Authority to authorize MP's execution, delivery and performance of this PPA have been duly obtained and are in full force and effect.

ARTICLE 16

FINANCING PROVISIONS

16.1 No Assignment Without Consent.

16.1.1 Except as expressly permitted in this **Section 16.1**, neither Party shall assign this PPA or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided that (i) at least thirty (30) Days' prior Notice of any such assignment shall be given to the other Party; (ii) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party, and no assignment, whether or not consented to, shall relieve the assignor of

its obligations hereunder in the event the assignee fails to perform, unless the other Party agrees in writing in advance to waive the assignor's continuing obligations pursuant to this PPA; (iii) any assignee of Seller shall provide required Security; (iv) before the PPA is assigned by a Party, the proposed assignee must first obtain such approvals as may be required by all applicable Governmental Authorities; and (v) the proposed assignee is acceptable to any Financier to Seller and provides MP with reasonable evidence that the assignee itself, or the operator it proposes to use at the Facility, has past operational experience of at least two (2) years at a renewable generation facility of equal or greater size than the Facility.

16.1.2 Notwithstanding the foregoing, Seller's consent shall not be required for MP to assign this PPA to an Affiliate of MP, provided that MP provides assurances and executes documents reasonably required by Seller and any Financiers regarding MP's continued liability for all of MP's obligations under this PPA in the event of any nonperformance on the part of such assignee. If the assignee (i) has or obtains a Credit Rating equivalent to or better than the Credit Rating of MP as of the Effective Date (which is BBB+ from S&P and A3 from Moody's, and therefore, as a result of the application of the split rating portion of the definition of "Credit Rating," shall be deemed to be Baa1 from Moody's for purposes of ascertaining whether the assignee's Credit Rating is equivalent or better than MP's Credit Rating), (ii) has or achieves a tangible net worth of [TRADE SECRET DATA EXCISED] at the time of MP's assignment of this PPA, and (iii) has or obtains substantially the same operational expertise and skills as possessed by MP immediately prior to such assignment, then Seller agrees to relieve MP from its obligations under this PPA and any other assurances upon written request by MP.

16.1.3 MP's consent shall not be required for Seller to assign this PPA for collateral purposes to any Financier.

16.2 Accommodation of Financier. To facilitate Seller's obtaining of financing to construct and operate the Facility, MP shall provide such consents to assignments, certifications, representations, information or other documents as may be reasonably requested by Seller or any Financier in connection with the financing of the Facility; provided that in responding to any such request, MP shall have no obligation to provide any consent, or enter into any agreement, that materially adversely affects any of MP's rights, benefits, risks and/or obligations under this PPA. Seller shall reimburse, or shall cause any Financier to reimburse, MP for the incremental direct expenses (including, without limitation, the reasonable fees and expenses of counsel) incurred by MP in the preparation, negotiation, execution and/or delivery of any documents requested by Seller or any Financier, and provided by MP, pursuant to this **Section 16.2**.

16.3 Change of Control. Except as otherwise provided in this **Section 16.3**, any direct change of control of Seller shall require the prior written consent of MP, which shall not be unreasonably withheld, conditioned or delayed. For purposes of this **Section 16.3**, a direct change of control shall mean a transfer of at least fifty percent (50%) of the voting rights of Seller as a result of the transfer of membership interests in Seller unless notwithstanding such a transfer of fifty percent (50%) or more of the voting rights of Seller, the direct and indirect owners of Seller as of the Effective Date retain Management Control. MP's consent shall not be required for any change of control other than a direct change of control as described above, including any change of control which occurs by transfer of ownership of membership interest in entities that own membership interests in Seller or by operation of Seller's member control agreement and which merely results in a change of percentage ownership among Persons (including Financiers) who constitute Seller's members and which does not involve the addition of a new member or transfer of voting rights to any other Person.

16.4 Notice of Financier Action. Within ten (10) Days following Seller's receipt of each written Notice from any Financier of default, or any Financier's intent to exercise any remedies, under the Financing Documents, Seller shall deliver a copy of such Notice to MP.

16.5 Transfer Without Consent Is Null and Void. Any purported sale, transfer, or assignment of any interest in this PPA made without fulfilling the conditions precedent to such assignment (if any) or obtaining the consent of the other Party (if required) shall be null and void.

ARTICLE 17

MISCELLANEOUS

17.1 Notices. Notices required by this PPA shall be in writing and addressed to the other Party, including the other Party's Representative on the Operating Committee, at the addresses noted in **Exhibit E** as either Party updates them from time to time by written Notice to the other Party. Any Notice under this PPA shall either be hand delivered or delivered by first-class mail, postage prepaid, to the applicable representative of said other Party. If mailed, the Notice shall be simultaneously sent by facsimile or email. Any such Notice shall be deemed to have been received by the close of the Business Day on which it was postmarked, hand delivered or transmitted electronically (unless hand delivered or transmitted after the close of regular business hours in which case it shall be deemed received at the close of the next Business Day).

Real-time or routine communications concerning Facility operations shall be exempt from this **Section 17.1**.

17.1.1 Each Party shall, prior to the Commercial Operation Date, identify in writing a designated representative and an alternate representative to serve as that Party's Representative and alternate representative on the Operating Committee.

17.1.2 Either Party may change the information for their Notice addresses in **Exhibit E** at any time without the approval of the other Party by providing Notice to the other Party.

17.2 Taxes.

17.2.1 Seller shall be solely responsible for any and all present or future taxes relating to the construction, ownership or leasing, operation or maintenance of the Facility, or any components or appurtenances thereof, and all ad valorem taxes relating to the Facility, and all personal property or production taxes assessed against the Facility, whether based on value or production, and income taxes payable on income earned by Seller. MP shall be responsible for any taxes imposed on its purchase of the Contract Energy, Accreditable Capacity and Green Tags or any transmission, use or sale of Contract Energy, Accreditable Capacity or Green Tags after MP's receipt at the Point of Delivery.

17.2.2 The Parties shall cooperate to minimize tax exposure; provided that neither Party shall be obligated to incur any financial burden to reduce taxes for which the other Party is responsible hereunder. All electric energy delivered by Seller to MP hereunder shall be sales for resale, with MP reselling such electric energy. MP shall obtain and provide Seller with any certificates required by any Governmental Authority, or otherwise reasonably requested by Seller to evidence that the deliveries of electric energy hereunder are sales for resale.

17.2.3 Seller is entitled to receive any federal tax credits pursuant to 26 U.S.C. §45, as amended, and any other production tax credits or payments or other tax credits, grants or assistance available to Seller or the Facility from any Governmental Authority, and MP acknowledges that Seller is entitled to such credits.

17.3 Fines and Penalties.

17.3.1 Any fines, penalties or other costs incurred by either Party or such Party's agents, employees or subcontractors for non-compliance by such Party or its agents, employees

or subcontractors with the requirements of any Governmental Authority shall not be reimbursed by the other Party but shall be the sole responsibility of such non-complying Party.

17.3.2 If fines, penalties or other costs are assessed against a Party by any Governmental Authority or court of competent jurisdiction due to the wrongful or unlawful actions or inactions of the other Party, the Party causing the fine, penalty or other cost to be assessed shall indemnify and hold harmless the other Party against any and all losses, liabilities, damages and claims suffered or incurred thereby. The Indemnifying Party shall also reimburse the other Party for any and all legal or other expenses (including attorneys' fees) actually and reasonably incurred in connection with such losses, liabilities, damages and claims.

17.4 Rate Changes.

17.4.1 The terms and conditions and the rates for service specified in this Agreement shall remain in effect for the term of the transaction described herein. Absent the Parties' written agreement, this Agreement shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act.

17.4.2 Absent the written agreement of all Parties to the proposed change, the standard of review for changes to this Agreement whether proposed by a Party, a non-party, or FERC acting sua sponte shall be the "public interest" standard of review set forth in *United Gas Pipe Line v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the "Mobile-Sierra doctrine").

17.5 Buyer Purchase Option. Buyer shall have the option to purchase the Facility from Seller on the terms set forth in **Exhibit F**.

17.6 Relationship of the Parties.

17.6.1 The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. This PPA shall not be interpreted to create an association, joint venture, or partnership between the Parties nor to impose any partnership obligation or liability or any trust or fiduciary obligation or relationship upon either Party. Except as specifically provided for in **Section 11.8**, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

17.6.2 Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform Seller's obligations under the PPA, including all federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by Seller shall be considered employees of MP for any purpose; nor shall Seller represent to any person that it is or shall become an MP agent.

17.6.3 In executing this PPA, MP does not, nor should it be construed to, extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with Seller. Nothing in this PPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any Person not a party to this PPA.

17.6.4 The relationship between MP and Seller shall be that of contracting party to independent contractor. Accordingly, subject to the terms of this Agreement, MP shall have no general right to prescribe the means by which Seller shall meet its obligations under this Agreement.

17.7 Subcontracting. Seller may subcontract its duties or obligations under this PPA without the prior written consent of MP, provided that no such subcontract shall relieve Seller of any of its duties or obligations hereunder.

17.8 Forward Contract. MP and Seller acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.

17.9 Survival of Obligations. Cancellation, expiration, or earlier termination of this PPA shall not relieve the Parties of obligations that by their nature should survive such cancellation, expiration, or termination, prior to the term of the applicable statute of limitations, including, without limitation, warranties, remedies, or indemnities which obligation shall survive for the period of the applicable statute(s) of limitation.

17.10 Severability. In the event any of the terms, covenants, or conditions of this PPA, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of the PPA and their application not adversely affected thereby shall remain in force and effect; provided, however, that MP and Seller shall negotiate in good faith to implement an equitable adjustment in the provisions of this Agreement with a view toward the purposes of this Agreement by replacing the invalid, illegal or unenforceable provision with valid

provisions, the economic and other effects of which come as close as possible to that of the invalid, illegal or unenforceable provision.

17.11 Complete Agreement; Amendments. The terms and provisions contained in this PPA constitute the entire agreement between MP and Seller with respect to the Facility and shall supersede all previous communications, representations, or agreements, either verbal or written, between MP and Seller with respect to the sale of Capacity and Energy from the Facility. This PPA may be amended, changed, modified, or altered only in a writing signed by both Parties.

17.12 Binding Effect. This PPA, as it may be amended from time to time pursuant to this **Article 17**, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors-in-interest and assigns permitted hereunder.

17.13 Headings. Captions and headings used in this PPA are for ease of reference only and do not constitute a part of this PPA.

17.14 Waiver. Unless otherwise expressly set forth herein, the failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this PPA, or to take advantage of any of its rights thereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

17.15 Compliance with Laws. Each Party shall at all times comply with all Applicable Laws applicable to it, except for any non-compliance which, individually or in the aggregate, could not reasonably be expected to have a material effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder. As applicable, each Party shall give all required Notices; shall procure and maintain all necessary governmental Permits necessary for performance of this PPA; and shall pay its respective charges and fees in connection therewith.

17.16 Counterparts. This PPA may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

17.17 Publicity. The Parties will cooperate in good faith to agree upon press releases that can be issued following execution of the PPA, describing the location, size, type and timing of construction of the Facility; the long-term nature of the PPA; and other relevant factual information. Subject to the Parties' confidentiality obligation set forth in **Section 17.19**, nothing

in this **Section 17.17** shall restrict the contacted Party from responding to any such media contact.

17.18 Disclaimer of Third-Party Beneficiary Rights. Nothing in this PPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any Person not a party to this PPA. No provision of this PPA is intended to, nor shall it in any way, inure to the benefit of any customer or any other Person not a Party so as to constitute any such Person a third-party beneficiary under this PPA.

17.19 Confidentiality. This Agreement shall be considered proprietary and trade secret and shall not be provided in whole or in part to any other Person without prior written approval of the other Party. In the event certain information must be provided pursuant to a regulatory proceeding, the Parties shall take reasonable steps to protect the confidentiality of proprietary and trade secret information, and Seller shall cooperate with MP to limit the scope of information designated as proprietary to that which Seller, at the time, deems to still be trade secret.

The Parties acknowledge and agree that during the course of the performance of their respective obligations under this Agreement, either Party may need to provide information to the other Party that the disclosing Party deems confidential, proprietary or trade secret. All documentation and data, including, but not limited to, contracts, special techniques, methods, computer programs and software, that the disclosing Party wants the receiving Party to maintain as confidential shall be designated as proprietary, confidential or trade secret (collectively "Proprietary Data") and shall be treated as such by the receiving Party to be proprietary, confidential or trade secret. The disclosing Party hereby grants to the receiving Party authority to use Proprietary Data only for the purposes of this Agreement. The receiving Party agrees to keep such Proprietary Data confidential, to use it only for work necessary to the performance of this Agreement, and not to sell, transfer, sublicense, disclose or otherwise make available any such Proprietary Data to any other Persons, including any employees or agents of a Party (other than a Party's counsel, consultants, accountants, lenders and prospective lenders, investors and prospective investors, and prospective purchasers, who agree to maintain the confidentiality of the information). If a Party is required by law or regulatory or judicial order to disclose Proprietary Information of the other Party, the receiving Party shall provide prompt Notice of the proposed disclosure in order that the disclosing Party may take such action as is appropriate to prevent, limit or condition such disclosure. In such an event, the receiving Party shall take all reasonable actions to prevent the disclosure, to limit the scope of the disclosure, or to condition the disclosure on the receipt of adequate protections. Without limiting the generality of the foregoing, each Party shall observe at least the same safeguards and precautions with regard to

Proprietary Information of the other Party which such Party observes with respect to its own trade secret information. Each Party agrees that it will make Proprietary Information available to its own employees only on a need-to-know basis for purposes associated with approval or management of this Agreement, and that all Persons to whom such Proprietary Information is made available will be required to maintain the confidentiality of the information. MP specifically agrees that it shall not disclose any information or documents received from Seller to any MP agents, consultants, representatives, or contractors who are involved in the development, engineering, procurement, construction, operation, financing or otherwise with respect to energy conversion facilities to be owned or developed by MP, and MP employees shall not utilize any information or documents from Seller in the development, engineering, procurement, construction, operation, financing or otherwise with respect to energy conversion facilities to be owned or developed by MP. Notwithstanding the foregoing, either Party may disclose any Proprietary Information that becomes public information through no wrongful act of the receiving Party, or that is provided to the receiving Party by a third party without restriction known to the receiving Party and without breach of this Agreement. The obligations of the Parties under this **Section 17.19** shall remain in full force and effect for two (2) years following the termination of this Agreement.

Except as required by Applicable Law, regulation or securities exchange rule, any public announcement, press release or similar publicity with respect to this Agreement or the transaction contemplated hereby will be issued at such time, in such manner and with such content as the Parties mutually agree.

Notwithstanding the foregoing, the Parties will cooperate reasonably to prepare a "public version" of this PPA for inclusion in the public record at the MPUC. The Parties agree that the public version of this PPA will redact only such information that properly constitutes "trade secret" information.

ARTICLE 18

DEFINITIONS

18.1 Definitions. The following terms shall have the meanings set forth herein:

"**Abandonment**" – (i) the sale of the Facility by Seller, other than a transfer permitted under this PPA, or (ii) prior to the Commercial Operation Date, complete cessation of all Facility-related activities and construction of the Facility for ninety (90) consecutive Days by Seller or Seller's

contractors, but only if such sale or cessation is not caused by or attributable to a default of, or request by, MP, or Force Majeure.

"**Accreditable Capacity**" – the amount of net generating capability associated with the Facility for which capacity credit has been obtained under applicable MISO rules at the time of execution and delivery of the Interconnection Agreement. Initially, such requirements are set forth in Module E of the MISO Tariff and MISO Business Practices Manual for Resource Adequacy and subject to delivery to Zone 1 as defined by MISO.

"**Affiliate**" of any named Person or entity – any other Person or entity that controls, is under the control of, or is under common control with, the named entity. The term "control" (including the terms "controls," "under the control of" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management of the policies of a Person or entity, whether through ownership interest, by contract or otherwise.

"**Aggregate Damage Limitation**" – shall have the meaning as set forth in **Section 11.5**.

"**Ancillary Services**" – shall have the meaning set forth in the relevant Tariff.

"**Annual ERIS Evaluation**" – shall have the meaning set forth in the relevant Tariff or applicable MISO Business Practice Manuals – currently MISO BPM-015, Section 6.6 effective March 15, 2017.

"**Annual Interim Deliverability Study**" – shall have the meaning set forth in the relevant Tariff or applicable MISO Business Practice Manuals – currently MISO BPM-015, Section 6.6 effective March 15, 2017.

"**Applicable Law**" – any statute, law, treaty, rule, regulation, ordinance, code, Governmental Approval, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, or any binding interpretation of the foregoing by a Governmental Authority, in each case applicable to MP, Seller or the Facility, as the case may be.

"**Available Hours**" for each Wind Turbine is the sum of the number of hours during a Measurement Period in which a Wind Turbine was available for energy production with Facility systems capable of delivering energy production to the Point of Delivery, as counted by a Wind Turbine's programmable logic controller, *plus* without duplication, the number of hours during

such Measurement Period in which a Wind Turbine was not available for energy projection with Facility systems capable of delivering energy production to the Point of Delivery as a result of (i) Excused Curtailments, (ii) Compensated Curtailments, (iii) curtailment required in order to maintain compliance with environmental or regulatory obligations, (iv) Scheduled Outage/Deratings, (v) an Emergency (other than an Emergency caused by Seller's breach of the PPA or the Interconnection Agreement), (vi) a Force Majeure event, (vii) the action or inaction of MP or any of its Affiliates or any of its or their agents, contractors, vendors or employees in breach of this Agreement, (viii) wind not being available at sufficient windspeed to operate the Wind Turbine below the Wind Turbine cut-in speed or wind being in excess of the Wind Turbine cut-out speed, or (ix) repowering activities on Wind Turbine(s) undertaken by Seller.

"**Availability Liquidated Damages**" – has the meaning set forth in **Section 3.2.1(a)**.

"**Back-Up Metering**" – has the meaning set forth in **Section 5.5.2**.

"**Business Day**" – any calendar day that is not a Saturday, a Sunday, or a NERC-recognized holiday.

"**Capacity**" – the output potential a machine or system can produce or carry under specified conditions. The capacity of generating equipment is generally expressed in MW. Capacity is also referred to as "capability" in the industry and for the purposes of this Agreement.

"**CGL**" – has the meaning set forth in **Section 13.2**.

"**Capacity Buy-Down Payment**" – has the meaning set forth in **Section 4.6**.

"**Commencement Date**" – the date on which both Parties shall have executed and delivered this PPA.

"**Commercial Operation**" – the period beginning on the Commercial Operation Date and continuing through the Term.

"**Commercial Operation Date**" or "**COD**" – the date that Seller successfully satisfies the provisions of **Section 4.5** and all of the conditions specified in **Section 4.5** have occurred or otherwise been satisfied.

"**Commercial Operation Milestone**" – the Major Milestone for the Commercial Operation Date. The Commercial Operation Milestone is specified in **Exhibit C**, subject to the provisions of this Agreement for extensions and modifications.

"**Commercial Operation Year**" – any consecutive twelve (12) month period, during the Term of this PPA, commencing with the Commercial Operation Date and including twelve (12) full months thereafter, and each twelve (12) month period thereafter.

"**Compensated Curtailment**" – has the meaning set forth in **Section 7.6.3**.

"**Construction Contract**" – the contract or contracts providing for the acquisition, manufacture, delivery and installation of the generating and step-up transformation equipment that is to be part of the Facility and the engineering, procurement and construction of the Facility. The Construction Contract may consist of a single engineering, procurement and construction contract, in which case such single engineering, procurement and construction contract shall constitute the Construction Contract, or it may consist of a series of contracts (such as a Wind Turbine supply and installation contract and a balance of plant contract), in which case such series of contracts shall collectively constitute the Construction Contract.

"**Contract Energy**" – for any relevant period of time, the amount of Energy generated by the Facility multiplied by MP's Percentage, which amount is delivered to MP at the Point of Delivery, including Zonal Resource Credits in respect of such amount.

"**Contract Year**" – means a period the period starting at 12:01 a.m. on the Commercial Operation Date and ending at 11:59 p.m. on the last Day of the calendar month in which the first anniversary of the Commercial Operation Date occurs, and each successive "Contract Year" shall mean the twelve (12) month period following the prior Contract Year.

"**Control Area**" – the system of electrical generation, distribution, and transmission facilities within which generation is regulated in order to maintain interchange schedules with other such systems.

"**Credit Rating**" – with respect to any entity, the rating then assigned to such entity's, unsecured, senior long-term debt obligations (not supported by third-party credit enhancements), or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating, with an outlook designation of "stable," in either case by S&P or Moody's. If rating by S&P and Moody's are not equivalent, the lower rating shall apply.

"**Day**" – a calendar day.

"**Development Security**" – the Initial Development Security or the Stepped Up Development Security, as the case may be.

"**Dispute Notice**" – has the meaning set forth in **Section 14.1.2**.

"**Economic Curtailment**" – curtailments of delivery of Contract Energy that arise from MP's scheduling and other market participation activities as may be required of MP as market participant for the Facility by the Market Operator, if any, including any such curtailment arising from any energy offer made by, or on behalf of, MP with respect to the Facility, including offers of price and quantity that result in curtailment. If Seller asserts that any curtailment was an Economic Curtailment and MP disputes that such curtailment arose from such scheduling or market participation activities of MP, MP shall furnish to Seller, subject to **Section 17.19**, copies of such records of MP relating to MP's scheduling and market participation activities as Seller reasonably requests for purposes of resolving the dispute.

"**EL**" – has the meaning set forth in **Section 13.2**.

"**Electric Interconnection Point**" – the physical point identified and described in **Exhibit A** and which shall be the same location as the interconnection point under the Interconnection Agreement.

"**Electric Metering Device(s)**" – all meters, metering equipment, and data processing equipment used to measure, record, or transmit data relating to the electric power and energy output from the Facility.

"**Eligible Energy Resource**" – any resource that qualifies as a renewable eligible energy technology under Minnesota Statutes Section 216B.1691, subdivision 1.

"**Emergency**" – an "Emergency" as defined in the Interconnection Agreement and the MISO Tariff.

"**Energy**" – the amount of electricity either used or generated over a period of time, expressed in terms of MWh.

"**Energy Deficit**" – for each Measurement Period, an amount (expressed in MWh) calculated as follows:

ED = [GA-MA] x CE

where:

"ED" means the Energy Deficit for such Measurement Period;

"GA" means the minimum Mechanical Availability Percentage defined in **Section 3.2.1(a)**;

"MA" means the calculated Mechanical Availability Percentage for such Measurement Period; and

"CE" means the total Contract Energy delivered for such Measurement Period;

provided that, if such calculation results in a negative number, the Energy Deficit shall be deemed to be zero for such Measurement Period.

"**Environmental Contamination**" – the presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the Site will not be available or usable for the purposes contemplated by this PPA.

"**Event of Default**" – shall have the meaning set forth in **Sections 11.1** and **11.2** as applicable.

"**Excused Curtailment**" – shall have the meaning set forth in **Section 7.6.2**.

"**Facility**" – Seller's electric generating facility and all of Seller's associated Interconnection Facilities, including, but not limited to, Seller's equipment, buildings, generators, step-up transformers, output breakers, protective and associated equipment, improvements, and other tangible assets on the Site reasonably necessary for the construction, operation, and maintenance of the electric generating facility that produces the power and energy to be delivered to MP pursuant to this PPA and, if Seller elects but without modifying Seller's obligation pursuant to this PPA, to other purchasers of power and energy.

"**Failure to Follow Dispatch Flag**" – shall have the meaning set forth in the MISO Tariff and the MISO Business Practice Manuals as interpreted by applicable FERC Orders.

"**FERC**" – the Federal Energy Regulatory Commission and any successor agency.

"**Financier**" – Any individual or entity (including Affiliates of Seller) selected by Seller to provide or actually providing money or extending credit (including any capital lease) to Seller or any parent of Seller for (i) the construction, term, or permanent financing of the Facility whether in the form of debt, equity, tax equity or other financing; or (ii) working capital or other ordinary business requirements for the Facility. "Financier" shall not include common trade creditors of Seller.

"**Financing Documents**" – the loan and credit agreements, notes, bonds, indentures, security agreements, lease financing agreements, mortgages, interest rate exchanges, or swap agreements and other documents relating to the development, bridge, construction, tax equity financing, and/or the permanent financing or refinancing for the Facility, including any credit enhancement, credit support, working capital financing, or refinancing documents, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

"**Force Majeure**" – causes or events beyond the reasonable control of, and without the fault or negligence of, the Party claiming Force Majeure, which by exercise of due diligence and reasonable foresight could not reasonably have been avoided, including, without limitation, (i) acts of God; (ii) sudden actions of the elements, such as floods, earthquakes, hurricanes or tornadoes, lightning, ice storms, high winds of sufficient strength or duration to materially damage a facility or significantly impair its operation for a period of time longer than normally encountered in similar businesses under comparable circumstances; (iii) serial manufacturing and/or design defects in the Wind Turbines or other major components comprising the Facility only in the event and to the extent that such occurrence is established to constitute a serial defect under Seller's Wind Turbine supply agreement or Construction Contract; (iv) long-term material changes in renewable energy flows across the Facility caused by climactic change; (v) fire, sabotage, vandalism beyond that which could reasonably be prevented by Seller; terrorism; war; riots; fire; explosion; blockades; insurrection; (vi) actions or inactions by any Governmental Authority taken after the date hereof (including the adoption or change in any Applicable Laws imposed by such Governmental Authority); (vii) strikes, work stoppage or other labor disputes (in which case the affected Party shall have no obligation to settle the strike or labor dispute on terms it deems unreasonable) other than a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller's Affiliates, or Seller's contractors, but only if such requirements, actions, or failures to act prevent or delay performance; and (viii) inability, despite

due diligence, to obtain any Permits required by any Governmental Authority. Notwithstanding the foregoing, the term Force Majeure does not include (i) inability by Seller to procure Wind Turbines or any component parts, for any reason (the risk of which is assumed by Seller); (ii) any other acts or omissions of any third party, including any vendor, materialman, customer, or supplier of Seller, except failure of the Interconnection Provider (transmission owner) to complete all network upgrades (through no fault of Seller) necessary to deliver Contract Energy to the Point of Delivery, unless such acts or omissions are themselves excused by reason of Force Majeure; (iii) any full or partial curtailment in the electric output of the Facility that is caused by or arises from a mechanical or equipment breakdown or other mishaps, events or conditions attributable to normal wear and tear or flaws, unless such acts or omissions are themselves excused by reason of Force Majeure; (iv) failure to abide by Good Utility Practices; (v) changes in market conditions that affect the cost of Seller's supplies, or that affect demand or price for power and/or Green Tags; strike; slow-down or labor disruptions against Seller or Seller's contractors or subcontractors; or (vi) foreseeable disruptions to the Facility caused by weather events typically experienced in the region of the country where the Facility is located, but excluding events and actions listed in this definition above.

"**Forced Outage**" – any condition that requires immediate removal of the Facility, or some part thereof, from service, another outage state, or a reserve shutdown state.

"**Good Utility Practice(s)**" – any of the practices, methods, and acts engaged in or approved by a significant portion of the electric or electric power generation industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known or reasonably should have known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

"**Governmental Authority**" – any nation, government, state or other political subdivision thereof, whether foreign or domestic, including, without limitation, any municipality, township and county, and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government, including, without limitation, any corporation or other entity owned or controlled by any of the foregoing.

"**Green Tags**" **–** any contractual right to the full set of non-energy attributes, including any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, directly

attributable to a specific amount of capacity and/or electric energy generated from an Eligible Energy Resource, including any and all environmental air quality credits, benefits, emissions reductions, off-sets, allowances, or other benefits as may be created or under any existing or future statutory or regulatory scheme (federal, state, or local) by virtue of or due to the Facility's actual energy production or the Facility's energy production capability because of the Facility's environmental or renewable characteristics or attributes, including any renewable energy credits or similar rights arising out of or eligible for consideration in the M-RETS Program, provided that Green Tags exclude any Renewable Energy Incentives.

"**Guarantor**" – (i) subject to clause (ii) of **Section 9.2.4**, Tenaska Energy, Inc. and Tenaska Energy Holdings, LLC, jointly and severally, or (ii) a Person with an Investment Grade Credit Rating, who is not an Affiliate of MP, and who has issued a Guaranty for the benefit of MP.

"**Guaranty**" – a guaranty for the benefit of MP issued by Guarantor, in the form attached hereto as **Exhibit G** or otherwise acceptable to MP.

"**Hazardous Materials**" – any substance, material, gas, or particulate matter that is regulated by any Governmental Authority as an environmental pollutant or dangerous to public health, public welfare, or the natural environment including, without limitation, protection of non-human forms of life, land, water, groundwater, and air, including, but not limited to, any material or substance that is (i) defined as "toxic," "polluting," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "solid waste" or "restricted hazardous waste" under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. §1251); (vii) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6901); (viii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* (42 U.S.C. §9601); (ix) defined as a "chemical substance" under the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.* (15 U.S.C. §2601); or (x) defined as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 *et seq.* (7 U.S.C. §136).

"**Indemnified Party**" – has the meaning set forth in **Section 12.1**.

"**Indemnifying Party**" – has the meaning set forth in **Section 12.1**.

"**Initial Development Security**" – shall have the meaning set forth in **Section 9.1.1**.

"**Installed Capacity**" – shall have the meaning set forth in **Section 3.1**.

"**Interconnection Agreement**" – the separate agreement between Interconnection Provider, Seller and MISO (if applicable) with respect to the interconnection of the Facility to the Interconnection Provider's System, as such agreement may be amended from time to time.

"**Interconnection Facilities**" – all the facilities installed for the purpose of interconnecting the Interconnection Provider's System and the Facility but not including any Interconnection Provider's Interconnection Facilities prior to the Interconnection Provider's System.

"**Interconnection Facilities Study**" – a MISO engineering study that evaluates the impact of the Facility's proposed interconnection on the safety and reliability of Buyer's transmission system and all other electric transmission or distribution systems or the electric system associated with an existing generating facility or of a generating facility higher in the interconnection queue than the Facility that are affected by the Facility's interconnection.

"**Interconnection Provider**" – the Person that owns and operates the transmission lines, Interconnection Provider Interconnection Facilities and other equipment and facilities with which the Facility interconnects at the Electric Interconnection Point, and any successor(s) or permitted assignees thereto.

"**Interconnection Provider's Interconnection Facilities**" – the facilities necessary to connect the Interconnection Provider's System with the Facility at the Electric Interconnection Point, including breakers, bus work, bus relays and associated equipment installed by the Interconnection Provider for the purpose of interconnecting the Facility, along with any easements, rights-of-way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities.

"**Interconnection Provider's System**" – the contiguously interconnected electric transmission and subtransmission facilities, including Interconnection Provider's Interconnection Facilities, over which the Interconnection Provider has rights (by ownership or contract) to provide interconnection service for the Contract Energy at the Electric Interconnection Point.

"**Investment Grade Credit Rating**" – with respect to (a) a corporation, limited liability company, partnership, or other entity other than a financial institution, a Credit Rating of BBB or above from Standard & Poor's Corporation ("S&P") or Baa2 or above from Moody's Investors Service ("Moody's"), in each case with a "stable" outlook, or (b) a financial institution, a rating on the senior long-term debt of such financial institution of BBB or above from S&P or Baa2 or

above from Moody's, in each case with a "stable" outlook, and provided in each case that if ratings by S&P and Moody's are not equivalent, the lower rating shall apply.

"IRP Compliance Filing" – shall mean the combined resource additions submitted to the MPUC by MP resulting from the MPUC's July 18, 2016 Order Approving Resource Plan with Modifications in MPUC Docket No. E015/RP-15-690.

"**Issuer**" – has the meaning set forth in **Section 9.2.3**.

"**kWh**" – kilowatt-hour.

"**kVar**" – kilovar.

"**LOC**" – has the meaning set forth in **Section 9.2.3**.

"**Maintenance Schedule**" – has the meaning set forth in **Section 6.2.3**.

"**Major Milestone(s)**" – the date(s) set forth in **Exhibit C** by which Seller agrees to achieve the corresponding result(s) specified for such date(s), including, but not limited to, the Commercial Operation Milestone.

"**Management Control**" – the possession, direct or indirect, of the power to contractually exercise control over the day-to-day management, operations, affairs and business of Seller, provided that for the purposes of this definition, any requirement that consents or approvals from Governmental Authorities, independent managers or directors, creditors or other investors and holders of any equity interests in Seller be obtained in order to take specified actions by or on behalf of Seller shall not be deemed to constitute the failure to possess the power to contractually exercise control over the day-to-day management, operations, affairs and business of Seller.

"**MAPP**" – the Mid-Continent Area Power Pool, and any successor organization.

"**Market Operator**" – the entity that instructs market participants and/or generators to regulate generation assets, including the Facility, within any energy market in which MP participates with respect to the Contract Energy or Accreditable Capacity and Ancillary Services based on price-based offer curves for the purpose of matching generation output to system load demand while maintaining bulk electric system reliability. If such entity is also the Transmission Provider, then "Market Operator" shall be construed to mean such entity acting in its capacity as the entity that instructs market participants and/or generators to regulate generation assets, including the Facility, within the energy market in which MP participates with respect to the Contract Energy

or Accreditable Capacity and Ancillary Services based on price-based offer curves for the purpose of matching generation output to system load demand while maintaining bulk electric system reliability.

"**Material Tax Legislation**" – has the meaning set forth in **Section 1.3.4**.

"**Material Tax Legislation Deadline Date**" – has the meaning set forth in **Section 1.3.4**.

"**Measurement Period**" – each twenty-four (24) consecutive calendar month period during the Term following the beginning of the second Contract Year (i.e., month 13 following the Commercial Operation Date), with the first such Measurement Period comprising full calendar months 13 through 36 following the Commercial Operation Date, the second such Measurement Period composed of calendar months 14 through 37 following the Commercial Operation Date, and so forth until the end of the Term.

"**Mechanical Availability Percentage**" **–** a percentage calculated for each Measurement Period in accordance with the following formula:

$$\text{Mechanical Availability Percentage} = 100 \times \frac{\text{(sum of all Available Hours for all Turbines during the applicable Measurement Period)}}{\text{(sum of all Period Hours for all Turbines during the applicable Measurement Period))}}$$

"**MEMA**" **–** the Mid-Continent Energy Marketers Association, or any successor organization.

"**Minimum Capacity**" – shall have the meaning set forth in **Section 4.5.1**.

"**MISO**" – the Midcontinent Independent System Operator, Inc. and any successor organization.

"**MISO Outage Manual**" – shall have the meaning set forth in **Section 6.2.5**.

"**MP's Commitment**" **–** an amount equal to the Installed Capacity.

"**MP's Percentage**" **–** the quotient, expressed as a percentage, determined by dividing MP's Commitment by the Rated Capacity; provided that if there is a curtailment of the Other Buyers' respective shares of the Energy from the Facility, then MP's Percentage shall mean the quotient expressed as a percentage, determined by dividing MP's Commitment by the Rated Capacity minus the Other Buyers' curtailed capacity (in MW).

"**MPUC**" – the Minnesota Public Utilities Commission and any successor agency.

"**MPUC Approval**" – receipt of a written final order from the MPUC approving this PPA together with the additional resources comprising the IRP Compliance Filing or which otherwise approves this PPA together with the additional resources comprising the IRP Compliance Filing as reasonable and in the public interest, subject only to the MPUC's ongoing jurisdiction to review the prudency of MP's purchases of Contract Energy, Accreditable Capacity and Green Tags pursuant to the PPA.

"**MPUC Approval Deadline Date**" – has the meaning set forth in **Section 1.2.1(a)**.

"**M-RETS Program**" – the Midwest Renewable Energy Trading System program, MPUC Docket No. E-999/CI-04-1616 and subsequent related proceedings.

"**MRO**" – the Midwest Reliability Organization and any successor organization.

"**MW**" – megawatt.

"**MWh**" – megawatt-hour.

"**NERC**" – the North American Electric Reliability Corporation and any successor organization.

"**Network Integration Transmission Service**" – a transmission service pursuant to which firm transmission service is provided over the transmission system to a network customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads all as defined in the MISO Tariff.

"**Network Resource**" – the applicable amount of Capacity for the Facility that has been designated for resource adequacy as a "Network Resource" under Module E of the MISO Open Access Transmission and Energy Markets Tariff.

"**Network Resource Interconnection Service**" **or** "**NRIS**" – network resource interconnection service as defined in the MISO Tariff. Network Resource Interconnection Service does not convey transmission service.

"**New Joint Transmission Authority**" – any independent service organization or other Person that may be created or becomes operational subsequent to the date of this Agreement and that is empowered or authorized to plan, coordinate, operate, regulate or otherwise manage any or all of the Interconnection Provider's System, whether in place of, or in addition to, MAPP or MISO.

"**Notice**" – any notice, request, consent, or other communication required or authorized under this PPA to be given by one Party to the other Party.

"**On-Peak Months**" – the calendar months of January, February, June, July, August, and December.

"**Operating Committee**" – one representative each from MP and Seller as described in **Section 8.3**.

"**Operating Procedures**" – those procedures implemented by the Operating Committee.

"**Other Buyers**" – any person other than Buyer with a contract to purchase Energy from the Facility.

"**Parties**" – MP and Seller, and their respective successors and permitted assignees.

"**Parties' Representatives**" – has the meaning set forth in **Section 14.1.1**.

"**Party**" – MP or Seller, and their respective successors and permitted assignees.

"**Party Representative**" – has the meaning set forth in **Section 14.1.1**.

"**Performance Security**" – has the meaning set forth in **Section 9.1.3**.

"**Period Hours**" – the total sum of hours for any given Measurement Period.

"**Permits**" – all state, federal, and locate authorizations, certificates, permits, licenses, and approvals required by any Governmental Authority for the construction, operation, and maintenance of the Facility.

"**Person**" – an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, Governmental Authority, or other entity.

"**Point of Delivery**" – the high-side of the step-up transformer at the Facility's busbar at which Seller makes available to MP and delivers to MP the Contract Energy being sold by Seller to MP under this PPA.

"**Proprietary Data**" – has the meaning set forth in **Section 17.19**.

"**PTCs**" – federal production tax credits arising from electricity produced from certain renewable resources pursuant to 26 U.S.C. §45 as amended, or such substantially equivalent tax credit that provides Seller (or its owners) with a tax credit based on energy production from any portion of the Facility.

"**PTC Benefits**" – the value of PTCs derived from the delivery or deemed delivery of Contract Energy, such value equal to the then applicable PTC amount as published by the Internal Revenue Service divided by (1 – the sum of the then applicable highest applicable federal and applicable state marginal income tax rate, expressed as a decimal).

"**Rated Capacity**" – the sum of the capacity of the Wind Turbines comprising the Facility, calculated using the manufacturer's nameplate capacity rating.

"**Renewable Energy Incentives**" – (a) all federal, state, or local tax credits or other tax benefits associated with the construction, ownership, or production of electricity from the Facility (including credits under Sections 38, 45, 46 and 48 of the Internal Revenue Code of 1986, as amended), including PTCs; (b) any federal, state, or local grants, subsidies or other like benefits relating in any way to the Facility, including a cash grant available under Section 1603 of Division B of the American Recovery and Reinvestment Act of 2009, provided in lieu of federal tax credits or any similar or substitute payment available under subsequently enacted federal legislation; (c) depreciation and other tax benefits arising from ownership or operation of the Facility unrelated to its status as a generator of renewable or environmentally clean energy; and (d) any other form of incentive relating in any way to the Facility that are not a Green Tags.

"**Requirements of Law**" – collectively, the certificate of incorporation and bylaws or other organizational or governing documents of Seller or MP and any United States or Canadian federal, state or provincial law, treaty, franchise, rule, regulation, order, writ, judgment, injunction, decree, award or determination of any arbitrator or a court or other Governmental Authority.

"**Scheduled Outage/Derating**" – a planned interruption/reduction of the Facility's generation that is reasonably required for inspection or preventive or corrective maintenance.

"**Security**" – the amount and type of Initial Development Security, Stepped Up Development Security or Performance Security, as applicable, that Seller is required to establish and maintain, pursuant to **Article 9**, as security for Seller's performance under this PPA.

"**Seller**" – Nobles 2 Power Partners, LLC, a Minnesota limited liability company, and its successors and permitted assignees.

"**Seller Network Upgrade Cost Cap**" **–** has the meaning given thereto in **Section 1.2.3**.

"**Site**" – the parcel of real property on which the Facility will be constructed and located, including any easements, rights-of-way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of the Facility. The Site is more specifically described in **Exhibit A** to this PPA.

"**Stepped Up Development Security**" – has the meaning given thereto in **Section 9.1.2**.

"**Tariff**" – the MISO Open Access Transmission and Energy Markets Tariff in effect and as amended from time to time in accordance with applicable FERC regulations and applicable MISO Business Practice Manuals.

"**Term**" – the period of time during which this Agreement is in effect.

"**Test Energy**" – that Energy which is produced by the Facility and delivered to MP at the Point of Delivery prior to the Commercial Operation Date.

"**Wind Turbines**" – those electric generating devices powered by the wind that are included in the Facility.

"**Zonal Resource Credits**" – shall mean Capacity Resources that are converted to Zonal Resource Credits pursuant to the MISO Tariff.

18.2 Rules of Construction. The capitalized terms in this Agreement shall have the meanings set forth herein whenever the terms appear in this PPA, whether in the singular or the plural or in the present or past tense. Other terms used in this PPA but not listed in **Section 18.1** shall have meanings as commonly used in the English language and the generally accepted technical or trade meanings for technical terms used herein. In addition, the following rules of interpretation shall apply:

18.2.1 (a) The masculine shall include the feminine and neuter, (b) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined, (c) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation," and (d) the word "or" is not exclusive.

18.2.2 References to "**Articles**," "**Sections**," or "**Exhibits**" shall be to **Articles**, **Sections**, or exhibits of this PPA.

18.2.3 The Exhibits attached hereto are incorporated in and made a part of this PPA; provided that in the event of a conflict between the terms of any Exhibit and the terms set forth in the body of this PPA, the terms set forth in the body of this PPA shall take precedence.

18.2.4 This PPA was negotiated and prepared by both Parties with advice of counsel to the extent deemed necessary by each Party. The Parties have agreed to the wording of this PPA, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this PPA or any part hereof.

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

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this PPA.

Nobles 2 Power Partners, LLC:

By: _____
Its:
Name:

ALLETE, INC., d/b/a Minnesota Power:

By: _____
Its: Alan R. Hodnik
Name: Chairman, President, and CEO

IN WITNESS WHEREOF, the Parties have executed this PPA.

Nobles 2 Power Partners, LLC:

By: _____
Its:
Name: **Daniel E. Lonergan**
CEO & Senior Managing Director

ALLETE, INC., d/b/a Minnesota Power:

By: _____
Its:
Name:

EXHIBIT A

FACILITY DESCRIPTION, ONE-LINE DIAGRAM, AND SITE MAP

The information on this Exhibit as of the Effective Date is subject to revision pursuant to Section 4.2.

The Facility will consist of one of the following two configurations.

Configuration 1 will consist of two turbine models as follows: (A) ten (10) to twenty-one (21) generators manufactured by Vestas and designated as its V110-2.0 model rated at 2.0 MW and (B) fifty-eight (58) to sixty-four (64) generators manufactured by Vestas and designated as its V136-3.6 model rated at 3.6 MW.

Configuration 2 will consist of two turbine models as follows: (A) ten (10) to twenty-one (21) generators manufactured by Vestas and designated as its V110-2.0 model rated at 2.0 MW and (B) one hundred four (104) to one hundred fifteen (115) generators manufactured by Vestas and designated as its V116-2.0 model rated at 2.0 MW.

The Facility will have a total Rated Capacity of not less than the Installed Capacity of between 247 MWs and 253 MWs as specified in writing by Seller to MP pursuant to Section 3.1, as may be adjusted pursuant to Section 4.6.

Access roads will be constructed to allow access by construction and delivery equipment and trucks, and reduced, as necessary, to appropriate size at the completion of construction.

The Facility will be located near Wilmont, Nobles County, Minnesota and interconnect with Xcel Energy.

Figure 1 is the Facility and interconnect one-line diagram taken from the interconnection request. Figure 2 is a Site map of the Facility.

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Figure 1: One-Line Diagram

[TRADE SECRET DATA EXCISED]

Figure 2: Site Map

As of the Effective Date the turbine layout on the Site is not yet determined and accordingly is not shown.

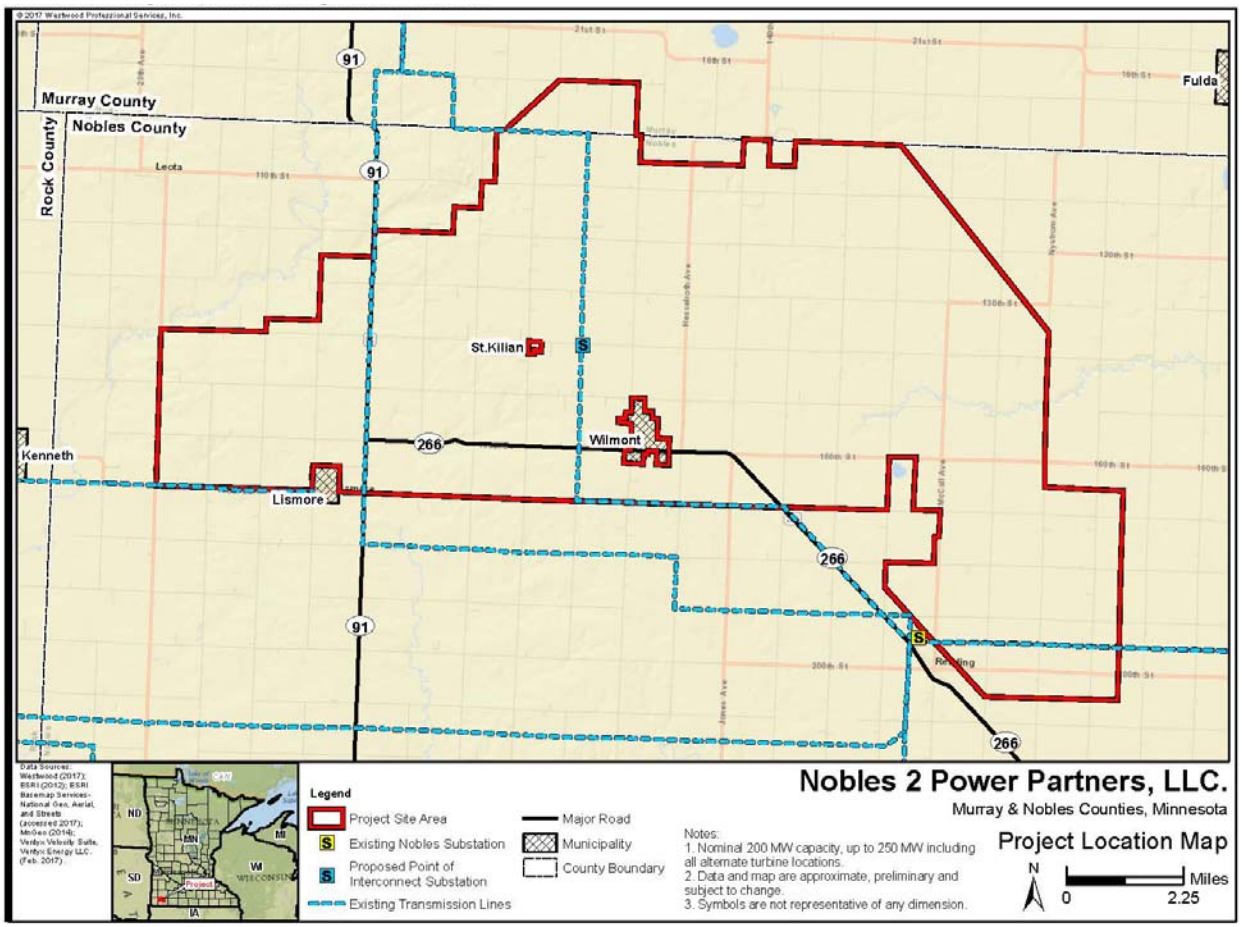

EXHIBIT B

CONTRACT ENERGY PRICE SCHEDULE [20 YEARS]

Contract Year	Contract Energy Price ($/MWh) [TRADE SECRET DATA EXCISED]
1	[redacted]
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

Projected Contract Year 1 Starting Date: January 1, 2020
Commercial Operation Milestone: June 1, 2020

EXHIBIT C

MAJOR MILESTONES

Milestone	Estimated Date of Achievement
Receipt of Major Permits	September 30, 2018
Interconnection Agreement Signed by All Parties Thereto	November 30, 2018
Specify Final Facility Configuration	December 1, 2018
Notice to Proceed Issued to Balance of Plant Contractor	March 1, 2019
Beginning of Erection of First Turbine	June 30, 2019
Delivery of Main Transformers to Site	September 30, 2019
Beginning of Commissioning of First Turbine	October 31, 2019
Commercial Operation Date	June 1, 2020

EXHIBIT D

SELLER'S REQUIRED GOVERNMENTAL AUTHORITY, PERMITS, CONSENTS, APPROVALS, LICENSES AND AUTHORIZATIONS TO BE OBTAINED

Permit/ Approval	Issuing Agency
Site Permit for Large Wind Energy Conversion System	Minnesota Public Utilities Commission/Minnesota Department of Commerce
Determination of No Hazard to Air Navigation	Federal Aviation Administration
National Pollution Discharge Elimination System Permit – General Storm Water Permit for Construction Activity	Minnesota Department of Natural Resources
Federal Clean Water Action Section 404 Permit, if required (Wetlands)	U.S. Army Corps of Engineers
Section 401 Water Quality Certification	Minnesota Pollution Control Agency
Threatened and Endangered Species, Migratory Birds, Bald and Golden Eagle, Wildlife Consultation as required	U.S. Fish and Wildlife Service; Minnesota Department of Natural Resources
Utility Occupancy Permit(s)	Minnesota Department of Transportation/Minnesota Highway Patrol
Oversize/Overweight Permit(s) for State Highways	Minnesota Department of Transportation/Minnesota Highway Patrol
Access Driveway Permit(s) for Minnesota Department of Transportation Highways	Minnesota Department of Transportation/Minnesota Highway Patrol
Road Use and Maintenance Agreement(s)	Nobles County, MN
Building Permit(s)	Nobles County, MN
Utility Permit(s)	Nobles County, MN
Oversize/Overweight Permit(s) for County Roads	Nobles County, MN
Access Driveway/Approach Permit(s) for County Roads	Nobles County, MN
Exempt Wholesale Generator Certificate	Federal Energy Regulatory Commission
Market-Based Rate Authorization	Federal Energy Regulatory Commission
Additional federal or state permits as may be required depending on the types of activities during construction and operation	Relevant federal or state agency, as applicable
Additional municipal permits as may be required depending on exact final location of all assets comprising the Facility	Relevant municipal agency, as applicable

EXHIBIT E

NOTICE ADDRESSES

MP	SELLER
Notices: Minnesota Power Vice President Strategy & Planning 30 W. Superior Street Duluth, MN 55802 Phone: (800) 228-4966 Fax: (218) 723-3915 With a copy to: Chief Legal Officer Minnesota Power 30 W. Superior Street Duluth, MN 55802 Phone: (800) 228-4966 Fax: (218) 723-3955	**Notices:** Nobles 2 Power Partners, LLC 14302 FNB Parkway Omaha, NE 68154 Phone: (402) 691-9500 Fax: (402) 691-9719 With a copy to: General Counsel Nobles 2 Power Partners 14302 FNB Parkway Omaha, NE 68154 Phone: (402) 691-9500 Fax: (402) 691-9723
Operating Committee Representative: To be specified in accordance with Section 17.1.1 **Alternate:** To be specified in accordance with Section 17.1.1	**Operating Committee Representative:** To be specified in accordance with Section 17.1.1 **Alternate:** To be specified in accordance with Section 17.1.1

EXHIBIT F

TERMS OF BUYER PURCHASE OPTION

[TRADE SECRET DATA EXCISED]

EXHIBIT G

FORM OF GUARANTY

In consideration of Allete, Inc., d/b/a Minnesota Power ("Company"), entering into a power purchase agreement with Nobles 2 Power Partners, LLC (hereinafter referred to as "Applicant"), Tenaska Energy, Inc., a Delaware corporation, and Tenaska Energy Holdings, LLC, a Delaware limited liability company (hereinafter individually and collectively referred to together as "Guarantor"), agree with Company as follows:

1. The term "Obligations" shall mean all obligations, liabilities and indebtedness of any kind whatsoever arising in connection with the Power Purchase Agreement, dated _____ ___, 2017 between the Company and Applicant. The amount of Obligations existing from time to time shall be calculated after giving effect to all contractual netting arrangements between Applicant and the Company.

2. Guarantor unconditionally and irrevocably guarantees to Company the full, prompt and faithful payment and performance when due of each and all of the Obligations; provided, however, that Guarantor's total liability hereunder shall not exceed [INSERT AMOUNT OF REQUIRED PERFORMANCE SECURITY]. The Obligations of the Guarantors in this Section 2 are joint and several.

3. This is a continuing guaranty relating to the Obligations.

4. Any of the Obligations may be amended, modified, waived, or increased (whether or not beyond any dollar limitation hereunder) from time to time by Applicant and without further authorization from or notice to Guarantor, and no such action shall terminate, release, impair, reduce, discharge, diminish or in any way affect any of the Obligations of Guarantor hereunder or any security furnished by Guarantor or give Guarantor any recourse or defense against Company. Company need not inquire into the power of Applicant or the authority of its officers, directors, partners or agents acting or purporting to act in its behalf.

5. With respect to all Obligations, this is a guaranty of payment and performance and not of collection, and Guarantor waives and agrees not to assert or take advantage of:

(a) any right to require Company to proceed against Applicant or any other person or to resort to, proceed against or exhaust any security held by it at any time or to pursue any other remedy in its power before proceeding against any Guarantor;

(b) demand, presentment, protest and notice of any kind including, without limiting the generality of the foregoing, notice of nonperformance, protest, dishonor and acceptance of this Guaranty, and notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Applicant, Company, a guarantor under this or any other instrument, or creditor of Applicant or any other person whomsoever, in connection with any of the Obligations or any collateral for any of the Obligations or in connection with any of the Obligations; and

(c) any suretyship defenses and suretyship rights of every nature otherwise available under Minnesota law and the laws of any other state or jurisdiction.

6. All existing and future indebtedness of Applicant to Guarantor ("Intercompany Obligations") is subordinated to all Obligations hereby guaranteed. In the event of any default in the payment of any of the Obligations when due and until the Obligations guaranteed hereby have been paid in full, Guarantor shall pay to Company immediately any payments of such Intercompany Obligations received by Guarantor.

7. Guarantor agrees to pay all attorneys' fees (including, without limitation, reasonably allocated fees of in-house counsel) and all other costs and expenses which may be incurred by Company in the enforcement of this Guaranty against Guarantor.

8. This Guaranty is not assignable by Guarantor without Company's consent. This Guaranty shall inure to the benefit of Company and its successors and assigns, including the assignees of any Obligations, and bind the heirs, executors, administrators, successors and permitted (if any) assigns of Guarantor. This Guaranty is assignable by Company with respect to all or any portion of the Obligations, and when so assigned Guarantor shall be liable to the assignees under this Guaranty without in any manner affecting the liability of Guarantor hereunder with respect to any Obligations retained by Company.

9. This Guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota, without reference to its choice of law provisions. Guarantor hereby irrevocably and unconditionally agrees that any legal action or proceeding against Guarantor or any of Guarantor's property with respect to this Guaranty may be brought in the federal courts for the County of Hennepin, Minnesota, as Company may elect, and by executing and delivering this Guaranty Guarantor hereby submits to and accepts with regard to any such action or proceeding for himself, herself or itself and in respect of his, her or its property, generally, irrevocably and unconditionally, the jurisdiction of the above mentioned courts.

10. Except as provided in any other written agreement now or at any time hereafter in force between Company and Guarantor, this Guaranty shall constitute the entire agreement of Guarantor with Company with respect to the subject matter hereof and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Company unless expressed herein.

11. All notices, demands, requests and other communications required or permitted hereunder shall be in writing and shall be given personally, by certified or registered mail, postage prepaid, return receipt requested, or by reliable overnight courier to the address of the Company set forth below (or to such new address as Company may designate hereafter in a notice to Guarantor) in the case of a communication to the Company and to the address appearing next to Guarantor's signature on this Guaranty (or to such new address as Guarantor may designate hereafter in a notice to Company) in the case of a communication to Guarantor. Any notice served personally shall be deemed delivered upon receipt, and any notice served by certified or registered mail or by reliable overnight courier shall be deemed delivered on the date of receipt as shown on the addressee's registry or certification of receipt or on the date receipt is refused as shown on the records or manifest of the U.S. Postal Service or such courier.

12. Until all of the Obligations guaranteed hereby have been satisfied in full, Guarantor shall have no right of subrogation or reimbursement from Applicant which Guarantor may have as a result of any payment by Guarantor under this Guaranty, and waives any right to enforce any remedy which Company now has or may hereafter have against Applicant as a result of such payment by Guarantor under this Guaranty and any other benefit of or right to participate in any security now or hereafter held by Company.

13. All amounts payable by Guarantor hereunder shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever unless and to the extent that Guarantor shall be prohibited by law from doing so, in which case Guarantor shall pay to Company such additional amount as shall be necessary to ensure that Company receives the full amount it would have received if no such deduction or withholding had been made.

14. If any portion of this Guaranty is held to be unenforceable by a court of competent jurisdiction, the remainder of this Guaranty shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guaranty on [MONTH AND DAY], [YEAR].

GUARANTOR:

Tenaska Energy Holdings, LLC
By Tenaska Energy, Inc., its manager
By:_____
Name:
Title:
Address:
14302 FNB Parkway
Omaha, NE 68154
Attention:

Tenaska Energy, Inc.
By:_____
Name:
Title:
Address:
14302 FNB Parkway
Omaha, NE 68154
Attention:

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

THIS FIRST AMENDMENT TO POWER PURCHASE AGREEMENT (the "First Amendment") is made as of the 20th day of July, 2017 (the "Effective Date") by and between ALLETE, Inc. d/b/a/ Minnesota Power ("MP" or "Buyer") and Nobles 2 Power Partners, LLC ("Seller"). Seller and MP are each referred to herein as a "Party" and collectively as the "Parties."

WHEREAS, Buyer and Seller are parties to that certain Power Purchase Agreement made as of the 10th day of May 2017 (the "Original PPA"); and

WHEREAS, Buyer and Seller wish to amend the Original PPA in certain respects.

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

1. Definitions. Any capitalized term used but not defined herein has the meaning ascribed to it in the Original PPA.

2. Amendment. (a) Section 1.2.2 of the Original PPA is hereby amended to read in its entirety as follows:

> On or before **[TRADE SECRET DATA HAS BEEN EXCISED]**, Seller shall have obtained NRIS status for the Facility. If this condition is not satisfied by **[TRADE SECRET DATA HAS BEEN EXCISED]**, MP shall have the right to terminate this Agreement by delivering written Notice to Seller on or before June 15, 2019. Failure of MP to provide Notice of termination by June 15, 2019 shall be deemed a waiver of this condition, and MP shall not thereafter have the right to terminate this Agreement on the basis of the failure of this condition to have been satisfied.

(b) Section 1.3.1(b) of the Original PPA is hereby amended to read in its entirety as follows:

> On or before **[TRADE SECRET DATA HAS BEEN EXCISED]**, an Interconnection Agreement for the Facility, having terms and conditions (other than network upgrade costs associated with the Facility for which Seller is responsible, which Seller hereby accepts

under Section 3.3.2) acceptable to Seller, has been executed by all parties thereto.

(c) Section 18.1 of the Original PPA is hereby amended to add the following definition:

"Buyer" – ALLETE, Inc. d/b/a/ Minnesota Power, a Minnesota corporation, and its successors and permitted assignees.

3. Miscellaneous. (a) Except as expressly set forth in the First Amendment, the Original PPA remains unchanged and in full force and effect.

(b) The terms and provisions hereof shall be binding on, inure to the benefit of, and be enforceable by, the successors and assigns of the Parties. Notwithstanding the foregoing, neither Party shall assign any rights or delegate any duties under this First Amendment except in connection with an assignment of the Original PPA as permitted thereunder.

(c) This First Amendment shall be considered proprietary and trade secret and shall not be provided in whole or in part to any other Person without prior written approval of the other Party. In the event certain information must be provided pursuant to a regulatory proceeding, the Parties shall take reasonable steps to protect the confidentiality of proprietary and trade secret information, and Seller shall cooperate with MP to limit the scope of information designated as proprietary to that which Seller, at the time, deems to still be trade secret.

(d) This First Amendment may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

(e) The interpretation and performance of this First Amendment and each of its provisions shall be governed and construed in accordance with the laws of the State of Minnesota, without regard to its conflict of laws principles of the United States of America, as applicable. The Parties hereby submit to the exclusive jurisdiction of the federal courts of the State of Minnesota. To the extent that the federal courts lack subject matter jurisdiction over any dispute (through lack of diversity or otherwise) the Parties hereby submit to the exclusive jurisdiction of the applicable Minnesota District Court.

(f) This First Amendment was negotiated and prepared by both Parties with advice of counsel to the extent deemed necessary by each Party. The Parties have agreed to the wording of this First Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this First Amendment or any part hereof.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this First Amendment.

Nobles 2 Power Partners, LLC:

By: _____

Its:

Name: **Daniel E. Lonergan**
CEO & Senior Managing Director

ALLETE, INC., d/b/a Minnesota Power:

By: _____

Its: Chairman, President & CEO

Name: Alan R. Hodnik

APPENDIX E: BLANCHARD SOLAR PROJECT PPA

MP/Blanchard Solar PPA - Final 6/1/17

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MINNESOTA POWER

AND

BLANCHARD SOLAR, LLC

SOLAR POWER PURCHASE AGREEMENT
FOR 10 MW OF RENEWABLE GENERATION

DATED: JUNE 7, 2017

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

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APPENDICES

POWER PURCHASE AGREEMENT
BETWEEN

Blanchard Solar, LLC

AND

MINNESOTA POWER

THIS POWER PURCHASE AGREEMENT (the "PPA" or the "Agreement") is made as of the 7th day of June, 2017 (the "Effective Date"), by and between Minnesota Power ("MP"), a division of ALLETE, Inc., a Minnesota corporation with headquarters at 30 West Superior Street, Duluth, Minnesota 55802 and Blanchard Solar, LLC, a Minnesota limited liability company ("Seller"). Seller and MP are each referred to herein as a "Party" and collectively as the "Parties."

WHEREAS, MP is a public utility, as defined in Minn. Stat. § 216B.1691, subd. 1(b); and

WHEREAS, Seller will plan, design, finance, construct, own, operate and maintain a project consisting of a photovoltaic solar generation facility with an Installed Capacity of 10 MW-AC to provide Accreditable Capacity and associated Contract Energy to MP, and which is further defined below as the "Facility;" and

WHEREAS, Seller intends to locate the Facility near Nature Road in Royalton, Minnesota_ and will interconnect the Facility at the Electric Interconnection Point and will generate, sell and deliver the Accreditable Capacity, Contract Energy and any associated Green Tags to MP at the Point of Delivery, and MP will receive and purchase the same all in accordance with the terms of this Agreement; and

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

ARTICLE 1

TERM AND CONTINGENCIES TO EFFECTIVENESS

1.1 Term. The Term of this Agreement (the "Term") shall commence on the Commencement Date and shall expire on the date that is twenty-five (25) years from the Commercial Operation Date with the Agreement remaining in full force and effect through the interim unless terminated or extended in accordance with the terms of this Agreement. Applicable provisions of this PPA shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination and, as applicable, to provide for: final billings and adjustments related to the period prior to termination, repayment of any money due and owing to either Party pursuant to this PPA, repayment of principal and interest associated with security funds, and the indemnifications specified in this PPA.

1.2 MP Contingencies.

1.2.1 MP shall submit this Agreement along with combined resource additions resulting from the MPUC's July 18, 2016 Order Approving Resource Plan with Modifications in MPUC Docket No. E015/RP-15-690 (collectively "IRP Compliance Filing") for MPUC Approval as soon as practicable after execution and obtaining MPUC Approval shall constitute a condition precedent to MP's performance of its other obligations hereunder. MP shall use commercially reasonable efforts to obtain MPUC Approval on or before October 31, 2018 (the

"**MPUC Approval Deadline Date**"). Seller agrees to provide reasonable assistance to MP, if requested, in order to assist MP in obtaining MPUC Approval.

1.2.2 If, as outlined in **Section 1.2.1**, on or before the MPUC Approval Deadline Date, the MPUC declines to approve the PPA in conjunction with the IRP Compliance Filing or approves the PPA in conjunction with the IRP Compliance Filing subject to material conditions that are unacceptable to MP or Seller, each in its sole discretion, then the Parties agree to negotiate in good faith for a period of sixty (60) days from the MPUC Approval Deadline Date or the date of the MPUC's written order to amend the PPA, as applicable, in a manner that will satisfactorily address the MPUC's reason for disapproval of, or conditions to, the Agreement in conjunction with the IRP Compliance Filing. Any amendment agreed to by the Parties shall be subject to MPUC approval and the Parties shall seek approval of the PPA, as amended, in accordance with the procedure set forth in this **Section**.

If the Parties cannot agree on mutually acceptable amendments by the end of the sixty (60) days or such longer period as the Parties may agree, then either Party shall have the right to terminate the PPA upon written Notice to the other Party with no further obligations under this Agreement. Failure of either Party to provide timely Notice of termination shall be deemed a waiver of this condition and either Party shall not thereafter have the right to terminate this Agreement on the basis of this condition.

1.3 Seller Contingencies. Seller shall have the right to terminate this PPA, with no further obligations under this Agreement, by Notice to MP if as of December 31, 2018 (the "**Seller CP Date**"):

1.3.1 Seller cannot obtain any Permit which it is responsible to receive and which is necessary to own, construct, and operate the Facility or to sell the Contract Energy and Accreditable Capacity to MP as contemplated by this PPA and all such Permits are final and non-appealable. MP agrees to provide reasonable assistance to Seller, if requested, in order to assist Seller in obtaining any Permit.

1.3.2 Seller fails to obtain approval from MP to interconnect the Facility upon reasonable terms and conditions as set forth in the proposed Interconnection Agreement.

Failure of Seller to provide timely Notice of termination on or before the fifteenth (15^{th}) day after the Seller CP Date shall be deemed a waiver of any of these conditions and Seller shall not thereafter have the right to terminate this Agreement on the basis of these conditions.

ARTICLE 2

PURCHASE AND SALE

2.1 Sale and Purchase.

2.1.1 Beginning on the Commercial Operation Date, Seller shall generate from the Facility, deliver to the Point of Delivery, and sell to MP the Accreditable Capacity and Contract Energy from the Facility. Beginning on the Commercial Operation Date, MP shall accept and purchase at the prices set forth in this Agreement, the Accreditable Capacity and

Contract Energy generated from the Facility and delivered by Seller to the Point of Delivery during the Term.

2.1.2 If the Facility generates Test Energy prior to the Commercial Operation Date. MP agrees to accept and purchase all Test Energy generated by the Facility and delivered to the Point of Delivery at a rate equal to [TRADE SECRET DATA EXCISED]/MWh. Seller shall coordinate the production and delivery of Test Energy with MP, and MP agrees to cooperate to facilitate the delivery and acceptance by MP of Test Energy of the Facility. Seller shall notify MP, to the extent practicable, fifteen (15) Days prior to the initial delivery of Test Energy to MP. In no instance shall MP be obligated to purchase Test Energy in amounts in excess of that associated with the Installed Capacity.

2.2 Title and Risk of Loss.

2.2.1 As between the Parties, Seller shall retain title to, and be deemed to be in control of the Accreditable Capacity, Contract Energy and Test Energy from the Facility up to and until delivery to MP at the Point of Delivery.

2.2.2 MP shall take title to, and be deemed to be in control of, the Accreditable Capacity, Contract Energy, Test Energy, and Green Tags purchased by MP hereunder, from and after delivery at the Point of Delivery.

2.2.3 Seller warrants that it will deliver to MP the Accreditable Capacity, Contract Energy, Test Energy, and Green Tags purchased by MP hereunder, free and clear of all liens, security interests, claims, and encumbrances or any similar interest therein or thereto in favor of any Person and arising or attaching prior to the Point of Delivery.

2.3 Green Tags.

The Parties agree that the price set forth in **Exhibit B** includes compensation for Green Tags associated with the Contract Energy and Accreditable Capacity purchased by MP pursuant to this Agreement during the Term and that MP is entitled to utilize any and all such Green Tags. To the full extent allowed by applicable laws or regulations, MP shall own or be entitled to claim all Green Tags purchased by MP hereunder to the extent such Green Tags may exist during the Term, and to the extent necessary, Seller shall assign to MP all rights, title and authority for MP to register, own, hold and manage such Green Tags in MP's own name and to MP's account, including any rights associated with any renewable energy information or tracking system that may be established with regard to monitoring, tracking, certifying, or trading such Green Tags.

ARTICLE 3

CONTRACT CAPACITY AND CONTRACT ENERGY

3.1 Contract Energy Source. The Installed Capacity of the Facility shall be approximately 10.0 MW (AC), with exact capacity to be agreed upon in the Interconnection Agreement, consisting of the equipment described in **Exhibit A**.

3.2 [TRADE SECRET DATA EXCISED]

3.3 Pricing for Accreditable Capacity and Contract Energy. Seller shall be entitled to payment for Accreditable Capacity including any associated Zonal Resource Credits, Contract Energy and any associated Green Tags in accordance with this **Section.** MP's payment under this PPA includes Accreditable Capacity, Zonal Resource Credits, Contract Energy, any associated Green Tags and any other product derived from the Facility not specifically excluded by this PPA.

3.3.1 MP shall pay Seller for Contract Energy delivered to MP at the Point of Delivery in accordance with the schedule set forth in **Exhibit B**.

3.4 House Power and Maintenance Power. This PPA does not provide for the supply of any electric service by MP to Seller or to the Facility and nothing in this Agreement shall obligate MP to provide any electric service to Seller or to the Facility ("House Power"). Seller recognizes and acknowledges that it shall be solely responsible for obtaining electric service for the Facility in accordance with applicable law.

3.5 Ancillary Services. Any and all Ancillary Services (as that term is defined and implemented pursuant to the relevant Tariff and FERC Order No. 827) that the Facility is capable of providing associated with the Installed Capacity, shall be deemed to have been purchased by MP hereunder at no additional charge. Upon achieving the Commercial Operation Date, Seller shall use all commercially reasonable efforts to maximize the Ancillary Services available to MP to the extent available from the Installed Capacity, consistent with and subject to Good Utility Practice, provided that Seller shall not be required to make any capital expenditures or incur any increased operating expenses in connection with such efforts other than what is already required to comply with the requirements of the Interconnection Agreement and any related instructions from MISO or the Interconnection Provider. Notwithstanding anything in this **Section** to the contrary, Seller shall not reduce, curtail or suspend production and delivery of Contract Energy to MP for the purpose of preserving or providing reactive power to itself or any other person.

ARTICLE 4

FACILITY REQUIREMENTS

4.1 General Description. The Accreditable Capacity and Contract Energy purchased by MP under this Agreement shall be exclusively generated by the Facility located at the Site. Seller shall design, construct, operate and maintain the Facility in material compliance with all Facility Permits and Requirements of Law, and according to Good Utility Practice.

4.2 Site. **Exhibit A** contains a scaled map that identifies the Site, the location of the Facility at the Site, the equipment and components which make up the Facility, a one-line diagram, the location of the Electric Interconnection Point, the location of Electric Metering Devices, and the Point of Delivery. **Exhibit A** shall be amended to reflect any material changes in siting of the generating facilities or related facilities during permitting and construction.

4.3 Milestones. Seller acknowledges that time is of the essence with respect to Seller meeting its obligation to supply the Accreditable Capacity and Contract Energy purchased by MP hereunder. To that end, Seller shall use all commercially reasonable efforts to complete the Facility by the Commercial Operation Milestone as set forth in **Exhibit C**. In furtherance of Seller's obligation, Seller shall reasonably endeavor to achieve each of the interim Major Milestones set forth in **Exhibit C** on or prior to the applicable date set forth for such Major Milestone; provided that Seller's failure to achieve any individual Major Milestones set forth in **Exhibit C** on or prior to the applicable date set forth for such Major Milestone shall not entitle MP to terminate this PPA unless and until Seller fails to achieve the Commercial Operation Date in accordance with **Section 4.4**.

4.4 Milestones; Extensions. The Major Milestone dates listed in **Exhibit C** (including the Commercial Operation Milestone) may be extended upon the occurrence of Force Majeure; provided that in no event shall the total number of Days of all such extensions as a result of Force Majeure exceed one hundred eighty (180) Days in the aggregate; provided, further, that if Seller shall fail to achieve the Commercial Operation Date within one hundred eighty (180) Days after the Commercial Operation Milestone for any reason whatsoever, including Force Majeure but excluding any default under this Agreement by MP that results in a delay in achievement of the Commercial Operation Milestone, then such failure shall entitle MP to terminate this PPA without further obligation to Seller. If Seller shall fail to achieve the Commercial Operation Date prior to July 1, 2020, for any reason whatsoever, excluding Force Majeure and any default under this Agreement by MP, then Seller shall pay MP Delay Damages at the rate of [TRADE SECRET DATA EXCISED] per day until Seller achieves the Commercial Operation Date or this PPA is otherwise terminated. Failure to achieve Commercial Operation by December 31, 2020 shall entitle either Party to terminate this PPA subject to any damages or remedies available under this PPA.

4.5 Conditions to Commercial Operation. Commercial Operation shall not occur before June 1, 2019 and all Contract Energy delivered prior to that date shall be Test Energy. After June 1, 2019, Commercial Operation of the Facility shall commence the Day following MP's acceptance (which shall not be unreasonably withheld) of Seller's Notice that all conditions set forth in this **Section** have been successfully satisfied. An officer of Seller who has knowledge of the Facility must certify in written Notice to MP that all of the conditions set forth in this **Section** have been satisfied. Thereafter, MP shall have ten (10) business Days to challenge the satisfaction of any condition set forth in this **Section** and in the event MP raises any such challenge, Seller shall provide MP with additional information establishing satisfaction of the condition. In the event the Parties are unable to agree upon satisfaction of the conditions to Commercial Operation, the matter shall be referred to dispute resolution in accordance with this Agreement. Seller must certify:

4.5.1 that the Facility is substantially complete in all material respects, that Seller is in full compliance with the terms of this Agreement, that Seller is in material compliance with the Interconnection Agreement, and that the Facility can be safely operated in conformance with this Agreement;

4.5.2 that Seller has successfully completed testing of the Facility which is required by the Facility's Permits and the Interconnection Agreement, and the generating facility

has been commissioned by the manufacturer in accordance with Good Utility Practice and any applicable agreements;

4.5.3 that Seller has executed all agreements and made all arrangements necessary to deliver the Contract Energy and Accreditable Capacity from the Facility to the Point of Delivery in compliance with the provisions of this PPA;

4.5.4 that all Security arrangements in accordance with **Article 9** have been established in a form and in the amounts sufficient to meet the requirements of this Agreement and that Seller has provided MP with proof that such arrangements are in place;

4.5.5 that certificates proving insurance coverages required by this Agreement have been submitted to MP; and

4.5.6 that all Permits required to be obtained from any Governmental Authority to construct and/or operate the Facility in compliance with applicable Requirements of Law and this PPA have been obtained and are in full force and effect.

ARTICLE 5

INTERCONNECTION, DELIVERY AND METERING

5.1 Interconnection Service.

5.1.1 Connection will be to MP's electrical distribution system, and the scope of Seller's interconnection ends at the AC connection point designated in the Interconnection Agreement. Seller is responsible for negotiating, entering into, and performing its obligations under the Interconnection Agreement.

5.2 Separate Interconnection Agreement. The Parties recognize that Seller will enter into a separate Interconnection Agreement with the Interconnection Provider.

5.2.1 The Parties acknowledge and agree that the Interconnection Agreement shall be a separate and free-standing contract regardless of Seller's counterparties to such an agreement and nothing in the Interconnection Agreement shall alter or modify Seller's or MP's rights or obligations under this Agreement and nothing in this Agreement shall alter or modify Seller's rights or obligations under the Interconnection Agreement.

5.2.2 Seller recognizes that, for purposes of this Agreement, the Interconnection Provider shall be deemed to be a separate entity and separate contracting party whether or not the Interconnection Agreement is entered into with MP or an Affiliate of MP.

5.3 Electric Metering Devices. The Facility shall be designed to accommodate metering, generator telemetering equipment, and communications equipment that meet the requirements of this **Section**. To the extent not otherwise set forth in the Interconnection Agreement, metering equipment necessary for determining the Contract Energy, Test Energy and Accreditable Capacity (real and reactive) for billing purposes shall comply with MP's metering requirements for this installation and Electric Metering Devices shall include, but not be limited

to, kWh and kvar meters, metering cabinets, metering panels, conduits, cabling, metering units, current transformers and potential transformers directly or indirectly providing input to meters or transducers, meter recording devices, telephone circuits, signal or pulse dividers, transducers, pulse accumulators and any other equipment necessary to implement the provisions of this Agreement. All Electric Metering Devices for billing purposes will be revenue billing grade devices and have an accuracy of at least +/- 0.2%. All instrument transformers used for metering will be metering class devices. Current transformers will have an accuracy of at least +/- 0.15%, and voltage transformers will have an accuracy of at least +/- 0.3%. Current transformer ratios will be chosen to measure minimum power within the devices accuracy range. A primary meter and associated recording device shall measure and record the flow of Energy and Capacity (real and reactive) associated with the Facility. The meter shall measure the bidirectional watt-hour and var-hour quantities (or other quantities required by MP) and shall be used to determine the amount of Energy and Capacity received by MP from Seller.

5.3.1 To the extent not otherwise provided in the Interconnection Agreement, MP shall design, install, own, and maintain all Electric Metering Devices used to measure the Energy and Capacity made available to MP by Seller under this PPA and to monitor and coordinate operation of the Facility. If Electric Metering Devices are not installed at the Point of Delivery, meters or meter readings will be adjusted to reflect losses from the Electric Metering Devices to the Point of Delivery. All Electric Metering Devices used to provide data for the computation of payments shall be sealed and only MP shall break the seal when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with this **Section**. MP shall specify the number, type, and location of such Electric Metering Devices.

5.3.2 MP shall, at its own expense, inspect and test all Electric Metering Devices owned by MP, and Seller shall, at its own expense, inspect and test all Electric Metering Devices owned by Seller, upon installation and at least annually thereafter. Testing shall include both compensated and uncompensated values (if applicable) to verify proper compensation and meter accuracy. Each Party will be provided with reasonable advance notice of, and a representative of the other Party shall be permitted to witness and verify such inspections and tests, provided that the requesting Party shall comply with all applicable safety standards and not unreasonably interfere with or disrupt the activities of the testing Party. Each Party shall, if reasonably requested, perform additional inspections or tests of any Electric Metering Device and shall permit a qualified representative of the other Party to inspect or witness the testing of any Electric Metering Device, provided further, that the requesting Party shall comply with all of the testing Party's safety standards and shall not unreasonably interfere with or disrupt the activities of the testing Party. The requesting Party shall bear the actual expense of any requested additional inspection or testing of the other Party's Electric Metering Device, unless upon such inspection or testing an Electric Metering Device is found to register inaccurately by more than the allowable limits established in this **Section**, in which event the expense of the requested additional inspection or testing shall be borne by the testing Party. The testing Party shall, if requested in writing, provide copies of any inspection or testing reports to the requesting Party.

In addition to the Electric Metering Devices, any Party may elect to install and maintain, at its own expense, backup metering devices ("Back-Up Metering"). This installation and maintenance shall be performed in accordance with Good Utility Practice and in a manner

acceptable to MP. The installing Party, at its own expense, shall inspect and test Back-Up Metering upon installation and at least annually thereafter. The installing Party shall provide the other Party with reasonable advance notice of, and permit a representative of the requesting Party to witness and verify such inspections and tests, provided that the requesting Party shall comply with all applicable safety standards and shall not unreasonably interfere with or disrupt the activities of the installing Party. Upon request, the installing Party shall perform additional inspections or tests of Back-Up Metering and shall permit a qualified representative of the requesting Party to inspect or witness the testing of Back-Up Metering, provided that the requesting Party shall comply with all applicable safety standards and shall not unreasonably interfere with or disrupt the activities of the testing Party. The requesting Party shall bear the actual expense of any such requested additional inspection or testing, unless, upon such inspection or testing, Back-Up Metering is found to register inaccurately by more than the allowable limits established in this **Section**, in which event the expense of the requested additional inspection or testing shall be borne by the testing Party. The testing Party shall, if requested in writing, provide copies of any inspection or testing reports to the requesting Party.

5.3.3 If any Electric Metering Devices or Back-Up Metering, is found to be inaccurate or defective, they shall be adjusted, repaired, replaced, and/or recalibrated as near as practicable to a condition of zero error by the Party owning such defective or inaccurate device and at that Party's expense.

5.4 Adjustment for Inaccurate Meters. If an Electric Metering Device, or Back-Up Metering, fails to register, or if the measurement made by an Electric Metering Device, or Back-Up Metering, is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Electric Metering Device, or Back-Up Metering, for both the amount of the inaccuracy and the period of the inaccuracy, in the following manner:

5.4.1 In the event that the Electric Metering Device is found to be inaccurate or defective, and that Back-Up Metering has been tested and maintained in accordance with the provisions of this **Section**, the Parties shall use Back-Up Metering, if installed, to determine the amount of such inaccuracy. Back-Up Metering data shall be adjusted for losses if Back-up Metering is installed on the low side of Seller's step-up transformer. If Back-up Metering is also found to be inaccurate by more than one percent (1.0%) or no back-up metering was installed, the Parties shall use the SCADA data collected at the Facility for the period of inaccuracy, adjusted as agreed by the Parties. If, and to the extent, such SCADA is incomplete or unavailable, the Parties shall estimate the amount of the necessary adjustment on the basis of deliveries of Contract Energy from the Facility during periods of similar operating conditions when the Electric Metering Device was registering accurately. The adjustment shall be made for the period during which inaccurate measurements were made.

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

5.4.3 MP shall use the corrected measurements as determined in accordance with this **Section** to recompute the amount due for the period of the inaccuracy to the extent that the adjustment period covers a period of deliveries for which payment has already been made by MP, and MP shall subtract the previous payments by MP for this period from such recomputed amount. If the difference is a negative number, that difference shall be paid by Seller to MP, or at the discretion of MP, may take the form of an offset to payments due Seller by MP in an amount each month of no more than thirty percent (30%) of each applicable invoice; if the difference is a positive number, the difference shall be paid by MP to Seller. Payment of such difference by the owing Party shall be made not later than thirty (30) Days after the owing Party receives Notice of the amount due, except to the extent MP elects payment via an offset.

ARTICLE 6

FACILITY OPERATION AND MAINTENANCE

6.1 Facility Operations and Control. After the Commercial Operation Date, Seller shall staff, control, and operate the Facility consistent at all times with Good Utility Practice and according to the Operating Procedures developed pursuant to **Section 8.3** below. Personnel capable of disconnecting the Facility shall be available 24 hours per day, 365 days per year, pursuant to such notice as the Operating Committee shall decide. Seller shall ensure that personnel are available by telephone, email, fax and pager to ensure prompt response to contingencies.

6.2 Facility Planned Outages/Maintenance

6.2.1 After the Commercial Operation Date, Seller shall maintain the Facility according to applicable warranty requirements, relevant equipment manufacturer's specifications, and Good Utility Practice(s).

6.2.2 Seller shall provide MP with an annual schedule of the expected Scheduled Outages/Deratings for the Facility ("Maintenance Schedule") on November 1 of each preceding year during the Term. Seller shall also provide no later than sixty (60) days before the end of each year during the Term, a Maintenance Schedule that describes expected maintenance activities for the following two Commercial Operation Years. Seller will use commercially reasonable efforts to provide Notice to MP of Scheduled Outages/Deratings involving the Facility, other than as listed in the Maintenance Schedule, as soon as practicable.

6.2.3 Seller shall avoid any Scheduled Outages/Deratings for the Facility, excluding outages associated with Emergencies and Forced Outages, during any On-Peak Period without the prior written consent of MP. Seller also agrees to cooperate with MP as a part of the Operating Committee functions in **Section 8.3** to use commercially reasonable efforts in establishing the timing of Scheduled Outages/Deratings during times of MP's scheduled outages to conduct maintenance of MP-owned distribution and transmission facilities used for delivery of Contract Energy.

6.2.4 Not less than forty-eight (48) hours prior to commencement of any Scheduled Outage/Derating of the Facility, MP may request, by phone, fax or email, that Seller defer such scheduled maintenance. Subject to Good Utility Practice, Seller shall use

commercially reasonable efforts to comply with any such request and seek to reschedule such deferred maintenance to a subsequent date mutually agreed upon between the Parties. In connection with any such request by MP for deferral of scheduled maintenance, Seller shall provide to MP, in advance, a non-binding good faith estimate of the incremental direct costs to be incurred by Seller in order to comply with such request. If MP desires Seller to incur such incremental costs at MP's expense, MP shall promptly advise Seller to that effect. Seller may then invoice MP for, and MP shall pay Seller for, all of the actual incremental direct costs incurred by Seller in connection with such deferral and rescheduling of maintenance.

6.3 Forced Outages. Seller shall use commercially reasonable efforts to minimize the occurrence, scope and duration of Forced Outages at the Facility. During the On-Peak Period, Seller shall use all commercially reasonable efforts to avoid or overcome any Forced Outages at the Facility.

6.4 Outage Reporting. Seller shall operate the Facility in a manner that complies with all national and regional reliability standards, and Good Utility Practice.

6.5 Capacity Accreditation. MP has certain planning, operating and reporting requirements to MISO. As between the Parties, MP is responsible for seeking MISO accreditation of the Installed Capacity as Resource Adequacy Capacity, and Seller agrees to provide reasonable cooperation to MP, including the provision of data necessary for MP to calculate Accreditable Capacity. Currently, MP believes no generator tests are required by MISO for accreditation of renewable energy conversion facilities; to the extent such testing is required in the future, MP shall be responsible for the costs associated with such testing. Seller makes no representations with respect to MISO accreditation of the Installed Capacity as Resource Adequacy Capacity.

6.6 Obligation to Rebuild. In the event of substantial damage to all or a substantial portion of the Facility, any insurance proceeds shall be applied in accordance with the terms of the Financing Documents or similar instruments defining the rights of lenders and investors in the Facility or Seller. Seller shall use commercially reasonable efforts to negotiate terms in the Financing Documents that require use of the proceeds for reconstruction of the damaged portion of the Facility. If at the time of the damage (i) there are no requirements of Financiers that prevent reconstruction; and (ii) MP is relying on the Facility to meet any state and/or federal requirement for renewable energy generation, then Seller shall apply the proceeds of any such insurance to rebuild or repair the Facility, provided that if the cost to repair or reconstruct the Facility exceeds the available insurance proceeds for reasons other than a default by Seller under this PPA, the Parties shall amend this Agreement to permit the reconstruction or repair on terms that make the Facility, as reconstructed or repaired, financially viable.

ARTICLE 7

BILLING AND PAYMENT

7.1 Billing Statement and Invoices.

7.1.1 The monthly billing period shall be the calendar month. No later than ten (10) Business Days after the close of the billing month, Seller shall provide to MP, by first-class

mail or such other method of delivery as mutually agreed to by the Parties, an invoice for the amount due Seller by MP, under this PPA, for the billing period covered by the statement. The invoice will show Contract Energy delivered from the Facility during the applicable month, all billing parameters, rates and factors, and any other data reasonably pertinent to the calculation of monthly payments due to Seller.

7.1.2 If MP disputes any amount in the invoice, MP shall describe items in dispute, as well as all supporting documentation upon which MP relies to dispute the invoice. Billing disputes shall be resolved in accordance with **Article 14**.

7.2 Payments. Payments due under this PPA shall be due and payable by check transmitted by first-class mail or by electronic funds transfer in accordance with **Section 7.5**, as designated by the owed Party, on or before the twentieth (20^{th}) Business Day following receipt of the billing invoice. Remittances received by first-class mail will be considered to have been paid when due if the postmark indicates the payment was mailed on or before the payment due date. If any amount due is not paid by the due date, the amount due shall bear interest on the unpaid balance at a rate equal to two (2) percent plus the prime rate as determined by Wells Fargo, N. A. or its successor for the days of the late payment period multiplied by the number of days elapsed from and including the day after the due date to and including the payment date.

7.3 Billing Disputes. Either Party may dispute invoiced amounts, but shall pay to the other Party at least the undisputed portion of invoiced amounts on or before the date on which payment is due. To resolve any billing dispute, the Parties shall use the dispute resolution procedures set forth in this Agreement. When the billing dispute is resolved, the Party owing shall pay the amount owed within five (5) Business Days of the date of such resolution.

7.4 Billing and Payment Records. To facilitate payment and verification, Seller and MP shall keep all books and records necessary for billing and payments and grant the other Party reasonable access to those records. All records of Seller pertaining to the operation of a Facility shall be maintained on the premises of the Facility or some other mutually agreed-upon location for a minimum of six (6) years.

7.5 Wire Transfer. MP shall make payment of invoices via wire transfer, ACH or similar electronic means if requested in writing to do so by Seller, at Seller's expense, and if the request contains adequate payment information. MP shall be entitled to conclusively presume, without any liability whatsoever, that the payment information furnished by Seller is accurate, and will not be required to pay any bill more than once where the invoice was first paid in accordance with Seller's payment instructions.

7.6 Curtailments.

7.6.1 Except as expressly provided for in this **Section**, Seller shall be entitled only to payment for Contract Energy actually delivered to the Point of Delivery.

7.6.2 No payment shall be due Seller for curtailments of delivery of Contract Energy from the Point of Delivery resulting from any of the following (each an "Excused Curtailment"): [TRADE SECRET DATA EXCISED]

7.6.3. Seller shall be compensated in the event and to the extent production and delivery of Contract Energy is curtailed by [TRADE SECRET DATA EXCISED]

7.6.4 [TRADE SECRET DATA EXCISED].

ARTICLE 8

INFORMATION AND IMPLEMENTATION

8.1 Pre-COD Reporting Obligations.

8.1.1 If it is required by any Financier or Governmental Authority, and within thirty (30) Days after completion, Seller shall provide MP with a copy of a report summarizing a Phase I environmental investigation conducted of the Site by an independent environmental engineer familiar with the Site.

8.1.2 At the times specified by the Major Milestones, Seller shall provide to MP copies of Permits governing the design and construction of the Facility, and redacted copies of major contracts affecting the Facility showing the identity of the contracting parties, their execution of the contract, a summary of services or work involved, and the date the contract was executed, so that MP may monitor Seller's progress in meeting its obligations under this Agreement.

8.1.3 On or about the first Day of each calendar month after execution of this PPA, and weekly after physical construction has commenced and until the Commissioning Date is achieved, Seller shall submit to MP a progress report, which shall notify MP in reasonable detail of the current status of each Major Milestone, Facility permitting (including the status of the permits set forth in **Exhibit D**), financing and construction, and any other information that will permit MP to assess the status of progress toward Commercial Operation.

8.1.4 MP shall have the right to monitor the construction, start-up and testing of the Facility and Seller shall cooperate with all reasonable requests of MP with respect to these events. All persons visiting the Facility on behalf of MP shall comply with all of Seller's applicable safety and health rules and requirements, and the requirements of any lease or Permit as to the Site. MP's technical review and inspection of the Facility shall not be construed as endorsing the design of such Facility nor as any warranty of safety, reliability, or durability of the Facility.

8.2 Post-Construction Information. Seller and MP shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this PPA, including such records as may be required by Governmental Authorities in the prescribed format. Seller and MP may examine the records and data kept by the other Party relating to transactions under and administration of this PPA, upon reasonable request and during normal business hours.

8.2.1 Seller shall maintain an accurate and up-to-date operating log, in electronic format, at the Facility with records of real and reactive power production for each

clock hour; energy production dedicated to this PPA and energy production generated for other purposes; changes in operating status; Scheduled Outage/Deratings and Forced Outages, and any unusual conditions found during inspections. The operating log shall be made available to MP upon reasonable request. Seller shall provide the described information to the extent the SCADA, controller or similar equipment monitoring the Facility is capable of measuring and retaining the information.

8.2.2 Appropriate representatives of MP shall at all reasonable times and with reasonable prior notice, have access to the Facility to read meters and to perform all inspections, maintenance, service, and operational reviews as may be appropriate to facilitate the performance of this PPA. While at the Facility, such representatives shall observe such reasonable health and safety precautions as may be required by Seller and the requirements of any lease or Permit as to the Site and shall conduct themselves in a manner that will not interfere with the operation of the Facility.

8.2.3 Each Party shall deliver or cause to be delivered to the other Party certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested, and shall make available, upon reasonable request, personnel and records relating to the Facility to the extent that the requesting Party requires the same in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including, but not limited to, administrative proceedings before utility regulatory commissions.

8.3 Operating Committee and Operating Procedures.

8.3.1 There shall be an Operating Committee established to assist the Parties in implementing their obligations under this Agreement. The Operating Committee shall have no authority to modify the terms or conditions of this PPA.

8.3.2 MP and Seller shall each appoint one representative and one alternate representative to act in matters relating to the Parties' performance obligations under this PPA and to develop operating arrangements for the generation, delivery and receipt of power and energy hereunder. Such representatives shall constitute the Operating Committee. The Parties shall notify each other in writing of such appointments and any changes thereto. The Operating Committee may only take action that is agreed to by both Parties' representatives.

8.3.3 The Operating Committee shall provide liaison between the Parties with respect to implementation of the provisions of this Agreement. The Operating Committee shall develop mutually agreeable written Operating Procedures, which shall include, but not be limited to, method of day-to-day communications; metering, telemetering, telecommunications, and data acquisition procedures; key personnel list for applicable MP and Seller operating centers; clearances and switching practices; operating and maintenance scheduling and reporting; unit operations log; and such other matters as may be mutually agreed upon by the Parties.

8.3.4 The Operating Committee shall have the following additional functions, among all others specified elsewhere in this Agreement:

(a) To review and make recommendations regarding Seller's schedule for Scheduled Outages/Deratings and Facility maintenance;

(b) To review Seller's implementation of its obligations under this Agreement;

(c) To establish, prepare and discuss the statistical and administrative reports, budgets, and information and other similar records, and the form thereof, to be kept by and furnished by Seller and MP as required by this Agreement;

(d) To perform such other functions and duties as it may undertake from time to time in connection herewith or as may be assigned to it by the Parties and to make any recommendations to either Party deemed appropriate or desirable.

8.4 Solar Data and Capacity.

8.4.1 Seller shall install sufficient measuring equipment at the Facility to collect data necessary to reasonably determine the amount of Facility generation under various conditions, including conditions where production from the Facility has been curtailed. Seller shall install by no later than the Commercial Operation Date a permanent irradiance measuring device around the Site to provide the capability of measuring and recording representative solar data twenty four (24) hours per day, which solar data shall be used to calculate any amounts due Seller under this PPA for curtailed or lost production. The irradiance measuring device required by this PPA must be provided at the facility and shall be at a location agreed to by the Operating Committee. After the Commercial Operation Date, MP shall have the right on a real-time basis to access all weather data from the meteorological equipment electronically and Seller shall cooperate reasonably in providing such access, provided that MP shall hold all such data confidential pursuant to the terms of this Agreement. The Parties shall develop protocols and procedures through the Operating Committee for the determination of potential production under particular circumstances. Seller shall cooperate reasonably to assist MP in maximizing (pursuant to the terms and conditions of this Agreement) and determining the amount of Accreditable Capacity. Seller shall collect data and perform tests and calculations in compliance with Module E of the TEMT and MISO Business Practices Manual for Resource Adequacy, as they change from time to time. All required testing shall be conducted at Seller's expense.

ARTICLE 9

SECURITY

9.1 Security Amount. Not later than thirty (30) Days after the Effective Date, Seller shall provide MP security in the amount of [TRADE SECRET DATA EXCISED] multiplied by the anticipated Installed Capacity of either or a combination of a letter of credit or cash escrow as set forth under **Section 9.2** ("Initial Development Security"). Upon the earlier of (i) Seller's delivery of the Stepped Up Development Security, or (ii) sixty (60) Days after termination of the Agreement, MP shall promptly return the Initial Development Security to Seller.

9.1.1 Not later than thirty (30) Days after the date on which all MP's Contingencies under **Section 1.2.1** have been satisfied or waived as provided under those

sections, Seller shall provide MP security in the amount of [TRADE SECRET DATA EXCISED] multiplied by the anticipated Installed Capacity ("Stepped Up Development Security") in a form acceptable under **Section 9.2**. Upon the earlier of (i) Seller's delivery of the Performance Security, or (ii) sixty (60) Days after termination of the Agreement, MP shall promptly return the Stepped Up Development Security to Seller.

9.1.2 Not later than the Commercial Operation Date, and as a condition thereto, Seller shall provide MP security for performance of the Facility when and as required hereunder, and for performance of all of Seller's other obligations hereunder to be performed over the Term of this Agreement following the Commercial Operation Date (the "Performance Security"). The Performance Security shall be available to pay any amount due MP pursuant to this PPA, and to provide MP security that Seller will properly operate and maintain the Facility and deliver Accreditable Capacity and Contract Energy to the Point of Delivery pursuant to this Agreement. The Performance Security shall also provide security to MP to cover damages, to [TRADE SECRET DATA EXCISED], should the Facility fail to operate in accordance with this PPA. Seller shall establish the Performance Security at a level equal to [TRADE SECRET DATA EXCISED] multiplied by the anticipated Installed Capacity. Seller shall maintain the Performance Security at such required level, less the aggregate amount of any draws on such Performance Security, throughout the remainder of the Term.

9.2 Security Characteristics and Draw.

9.2.1 Security shall be comprised of either a letter of credit or a cash escrow, at Seller's option, or a combination of these options as long as the total amount of Security is no less than required.

9.2.2 After the Commercial Operation Date, to the extent Seller does not have Security funded in cash, it shall have the amount of Security required, less any cash escrow actually in place, provided by letter of credit. As Seller makes additional payments into the cash escrow, it may reduce the face amount of any letter of credit comprising Security a corresponding amount.

9.2.3 If Seller elects to utilize a cash escrow as Security, it shall establish an interest-bearing escrow account with a commercial bank or other mutually acceptable escrow agent as escrow agent, and the account shall name MP as the exclusive beneficiary for the duration of the existence of the escrow account. The escrow account shall be in United States currency, and funds in the account may be invested in a money-market fund, short-term treasury obligations, investment grade commercial paper or other investment-grade investments with maturities of three months or less. All income and interest earned on the accounts held in the escrow account shall accrue for the benefit of Seller, and Seller may withdraw the income and interest earned at any time as long as the balance in the account after the withdrawal meets the minimum funding requirements of this **Section**. The escrow agreement shall require the escrow agent to notify MP if the balance in the escrow account is, together with the amount of any letter of credit, at any time, below the minimum amount required by this Agreement. The escrow agreement governing the account shall include terms that (i) prohibit termination of the account prior to establishment of alternative Security that satisfies all the requirements of this PPA; (ii) require notice of no less than sixty (60) Days by the escrow agent to MP prior to any termination

of the account; (iii) allow MP to draw the entire balance in the escrow account up to the amount of the Security if Security has not been replaced in accordance with this Agreement at least five (5) Business Days prior to the expiration or termination of the escrow account, and MP shall hold such amounts in lieu of escrow until such time as the Security has been replaced, at which time the funds shall be returned to Seller. At the end of the Term, any balance remaining in the escrow account shall be returned or released to Seller.

9.2.4 In conjunction with or instead of cash security as provided in **Section 9.2.3**, Seller may provide Security in the form of an irrevocable letter of credit in a commercially reasonable form and otherwise in compliance with the requirements of this **Section** (the "LOC"). [TRADE SECRET DATA EXCISED] The LOC must provide the following: (i) it must be issued for a minimum term of three hundred and sixty (360) Days, and, where permitted by the Issuer, shall be automatically extended for a period of one year on each successive expiration date unless, at least ninety (90) Days before the current expiration date, the Issuer notifies Seller and MP by certified mail that the Issuer has decided not to extend the letter of credit, (ii) provide that draws shall be payable upon presentation of a sight draft executed by an officer of MP substantially in the form approved by MP; and (iii) expressly permit partial and multiple draws. Any unused portion of the letter of credit shall be available, regardless of renewal, through the then current expiration date. Seller may replace the letter of credit with another Issuer which includes a provision for at least ninety (90) Days advance Notice to MP and shall cause the renewal or extension of the LOC meeting the criteria set forth in this **Section** within thirty (30) days prior to the expiration or cancellation of the then current LOC, and failure to do so shall authorize MP to draw immediately upon the then current LOC. If the Issuer notifies Seller and MP that it will not renew the LOC, MP may then, at Seller's cost and with Seller's funds, place the amounts so drawn in an interest bearing escrow account in accordance with **Section 9.2.3** above, until and unless Seller provides a substitute form of such security meeting the requirements of this **Section**. Security in the form of an irrevocable standby letter of credit shall be governed by the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Brochure No. 500.

9.2.5 MP shall have the right to monitor the financial condition of Seller and the Issuer to the extent set forth herein, and Seller shall provide written Notice to MP within five (5) Business Days of becoming aware that the Issuer does not have an Investment Grade Credit Rating. In addition, Seller shall provide to MP, at the beginning of each calendar quarter after the Commercial Operation Date, evidence satisfactory to MP sufficient to establish that Seller is in compliance with the security requirements set forth in this **Section**, including such evidence sufficient to establish that the current Issuer has a credit rating or assets as required by **Section 9.2.4**. In the event that the financial condition of the current Issuer has deteriorated to a level below that required, Seller shall provide alternative Security as soon as practicable that complies with this **Section** and, in no event, later than thirty (30) Days after becoming aware of the Issuer's failure to meet the requirements of this **Article**.

9.3 Release of Security. Promptly following the termination of this PPA and the completion of all Seller's obligations under this PPA, MP shall release the Security (including any accumulated interest, if applicable) to Seller.

9.4 Permitted Draws; Effects of Draws. In addition to any other remedy available to it, MP may, before or after termination of this PPA, draw against the Security to satisfy any undisputed obligations of Seller to MP arising under this Agreement (including without limitation the payment of Replacement Power Costs, if any, or any indemnification obligations) which Seller has not otherwise paid or performed when due, after any required notice and opportunity to cure. In the event MP draws against the Security and Seller subsequently disputes MP's entitlement to any portion of the funds drawn, neither MP's draw, the Issuer's payment under the LOC, nor Seller's replenishment of the Security or reimbursement of the Issuer or escrow agent shall constitute a waiver of Seller's rights to seek recovery of any amount disputed. To the extent MP elects to draw upon the Security to satisfy obligations that otherwise constitute, or might constitute, an Event of Default by Seller and entitle MP to terminate this Agreement, MP's draw against the Security shall be deemed a cure of such Event of Default and shall waive MP's right to terminate in that respect. With respect to any Event of Default by Seller that remains uncured and which could be cured by payment of an undisputed amount to MP, MP shall first draw upon the Security to cure the Event of Default, and only if such Security is insufficient to cure the Event of Default shall any right of termination which MP may otherwise have be exercised by MP.

ARTICLE 10

FORCE MAJEURE

10.1 Applicability of Force Majeure. A Party shall not be responsible, liable or in default with respect to any delay or failure to perform hereunder if, and to the extent, the delay or failure is substantially caused by Force Majeure. The Party affected by Force Majeure shall exercise commercially reasonable efforts to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

10.2 Force Majeure Procedures.

10.2.1 A Party delayed in performing or unable to perform any obligation hereunder by reason of Force Majeure shall give Notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as practicable after the occurrence of the cause relied upon.

10.2.2 Telephone, facsimile or email Notices given pursuant to this **Section** shall be confirmed in writing as soon as reasonably possible and shall specifically state the full particulars of the Force Majeure, the time and date when such Force Majeure occurred and when the Force Majeure is reasonably expected to cease.

10.2.3 A Party's suspension of performance due to a Force Majeure shall be no longer or broader than necessary as a result of the Force Majeure and the Party claiming Force Majeure shall resume full performance of its obligations as promptly as possible.

10.2.4 When the non-performing Party is able to resume performance of its obligations under this PPA, that Party shall give the other Party written Notice to that effect.

10.3 Limitations on Force Majeure. In no event will any delay or failure of performance caused by any conditions or Force Majeure extend this PPA beyond its stated Term.

10.3.1 Economic hardship and changes in market conditions shall not constitute Force Majeure.

10.3.2 Suspension or curtailment in the electric output of the Facility that is caused by or arises from the acts or omissions of any third party, including, without limitation, any vendor, materialman, customer, or supplier of any Party, shall not constitute Force Majeure, unless such acts or omissions are themselves excused by reason of Force Majeure.

10.3.3 Mechanical or equipment breakdown or other mishap or events or conditions attributable to normal wear and tear or flaws to equipment shall not constitute Force Majeure, unless such breakdown, mishap or event is itself caused by Force Majeure.

10.3.4 In the event that any delay or failure of performance caused by Force Majeure continues for an uninterrupted period of three hundred sixty-five (365) Days from its inception, the Party not claiming Force Majeure may, at any time following the end of such three hundred sixty-five (365) Day period, terminate this PPA upon written Notice to the affected Party, without further obligation by either Party except as to costs and balances incurred prior to the effective date of such termination. The Party not claiming Force Majeure may, but shall not be obligated to, extend such three hundred sixty-five (365) Day period, for at least one hundred eighty (180) Days, and such additional time as it, at its sole discretion, deems appropriate, if the affected Party is exercising due diligence in its efforts to cure the Force Majeure.

ARTICLE 11

DEFAULT, TERMINATION, AND REMEDIES

11.1 Events of Default of Seller. Any of the following shall constitute a default of Seller:

11.1.1 Seller's Abandonment of the Facility;

11.1.2 Seller's failure to achieve the COD by the Commercial Operation Milestone and Seller has failed to cure such failure within ninety (90) Days after such Milestone for reasons other than Force Majeure or a delay or Event of Default by MP, provided that if during such ninety (90) Day period Seller provides a written opinion from a mutually-agreeable independent engineer that the COD can reasonably be achieved within an additional ninety (90) Day period, then Seller shall be allowed a total period not to exceed one hundred eighty (180) Days after the Commercial Operation Milestone to achieve the COD;

11.1.3 Seller's assignment of this PPA or any of its rights hereunder for the benefit of creditors (except for an assignment to Financier as security under the Financing Documents as permitted by this PPA);

11.1.4 Seller's filing of a petition in bankruptcy or insolvency for dissolution or liquidation under the bankruptcy laws of the United States or under any insolvency act of any

state, or the filing of such a petition by another Person against Seller seeking dissolution or liquidation, and Seller's failure to obtain the dismissal of the petition within ninety (90) Days.

11.1.5 The sale by Seller to a third party, or diversion by Seller for any use by a third party, of Accreditable Capacity, Contract Energy, or any associated Green Tags to which MP is entitled under this PPA except as expressly allowed under this Agreement;

11.1.6 Seller's failure to establish and maintain the funding of the Security as and in the amounts required;

11.1.7 Seller's failure to make any payment required under this PPA unless such payment is subject to a good faith dispute;

11.1.8 Seller's assignment of this PPA, or any direct or indirect change of control of Seller, or Seller's sale or transfer of its interest, or any part thereof, in the Facility, except as permitted by this Agreement to the extent such assignment is not deemed void;

11.1.9 Any representation or warranty made by Seller in this PPA shall prove to have been false or misleading in any material respect when made or ceases to remain true during the Term if such cessation would reasonably be expected to result in a material adverse impact on MP, provided that Seller shall have a reasonable time not exceeding thirty (30) Days to correct the false or misleading condition; and/or

11.1.10 Seller's failure to comply with any other material obligation under this PPA, which would result in a material adverse impact on MP.

11.2 Financier's Right to Cure Default of Seller. Seller shall provide MP with a Notice identifying each Financier and providing appropriate contact information for each Financier. Following receipt of such Notice, MP shall provide Notice of any default of Seller to each Financier, and MP will accept a cure to a default of Seller performed by the Financier, so long as the cure is accomplished within the applicable cure period set forth in this PPA, if any. If Financier needs to foreclose on the Facility or otherwise take legal action to gain possession of the Facility in order to cure the applicable Event of Default, the applicable cure period shall be extended by the amount of time necessary for the Financier, using all reasonable due diligence, to obtain possession of the Facility. If Financier, or its designee, obtains possession of the Facility and assumes all the obligations of the Seller under this Agreement, and cures any Events of Default, MP agrees to recognize the Financier, or its designee, as the successor to Seller under the terms of the PPA and to perform its obligations to Financier or its designee.

11.3 Events of Default of MP. Any of the following shall constitute a default of MP:

11.3.1 MP fails to make a payment due to Seller that is not subject to a good-faith dispute when such payment is due;

11.3.2 MP's dissolution or liquidation, provided that division of MP into multiple entities, or other corporate reorganization, shall not constitute dissolution or liquidation;

11.3.3 MP's assignment of this PPA or any of its rights hereunder for the benefit of creditors;

11.3.4 MP's filing of a petition in bankruptcy or insolvency for dissolution or liquidation under the bankruptcy laws of the United States or under any insolvency act of any State, or the filing of such a petition by another Person against MP seeking dissolution or liquidation, and MP's failure to obtain the dismissal of the petition within ninety (90) Days;

11.3.5 Any representation or warranty made by MP in this PPA shall prove to have been false or misleading in any material respect when made or ceases to remain true during the Term if such cessation would reasonably be expected to result in a material adverse impact on Seller; and/or

11.3.6 MP's failure or refusal to accept delivery of Contract Energy at the Point of Delivery for reasons other than an Excused Curtailment, or a Compensated Curtailment where the applicable payment is made to Seller with respect to such curtailment pursuant to the terms of the PPA.

11.3.7 MP's failure to comply with any other material obligation under this PPA, which would result in a material adverse impact on Seller.

11.4 Remedies. Upon the occurrence of any curable default, the non-defaulting Party shall provide the defaulting Party with Notice of the Default and a reasonable opportunity to cure, such period not to exceed twenty (20) Days with respect to any failure to pay described in **Sections 11.1.7** and **11.3.1** or thirty (30) Days from such Notice with respect to any other Default. For any default which has not been cured in the time required, the non-defaulting Party may, at its option do any, some or all of the following:

11.4.1 Terminate this Agreement to the extent permitted by **Section 11.5**;

11.4.2 Offset from any payments due from the non-defaulting Party to the defaulting Party any amount otherwise due;

11.4.3 Seek damages in such amounts and on such bases for the default as authorized by this Agreement;

11.4.4 In the case of a default by Seller, MP may draw on the Security as the case may be in the amount of any damages subject to the terms of **Article 9**;

11.4.5 In the case of a default by Seller, MP may exercise its Step-In Rights in the manner and to the extent set forth in **Section 11.8**.

11.5 Termination. Upon the occurrence of an Event of Default which has not been cured within the time required or otherwise waived, as provided for in this Agreement, the non-defaulting Party shall have the right to terminate this PPA by Notice to the nondefaulting Party without further obligation to the defaulting Party except for obligations arising or accruing prior to the date of termination.

11.5.1 Upon the termination of this PPA under this **Section**, the non-defaulting Party shall be entitled to receive from the defaulting Party all of the actual damages incurred by the non-defaulting Party to the extent allowed by law including, if Seller is the defaulting Party, Replacement Power Costs as and when allowed by this Agreement, up to the Aggregate Damage Limitation set forth in **Section 11.6**, and subject to the limitations of **Section 11.11** and other provisions of this PPA.

11.5.2 Applicable provisions of this PPA shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination and, as applicable, to provide for: final billings and adjustments related to the period prior to termination, repayment of any money due and owing to either Party pursuant to this PPA, repayment of principal and interest associated with Security, and the indemnifications specified in this PPA.

11.5.3 In the event the existence of an Event of Default or a Party's right to terminate this Agreement is disputed, and the dispute has been submitted to dispute resolution pursuant to **Article 14**, the Party claiming the right to terminate shall not be able to exercise that right until the conclusion of dispute resolution or any other applicable legal proceeding resolving the dispute.

11.6 Aggregate Damage Limitation. Except as otherwise provided in this **Section,** Seller's aggregate financial liability to MP for damages shall not exceed [TRADE SECRET DATA EXCISED] prior to the Commercial Operation Date and [TRADE SECRET DATA EXCISED] after the Commercial Operation Date. If MP incurs such damages and after MP's application of (i) all Security available under this PPA, (ii) any amounts offset against obligations of MP to Seller and (iii) payments made by Seller, Financiers or other Persons toward such damages, there remains a balance due to MP which Seller fails to pay as required, then MP may terminate this Agreement pursuant to **Sections 11.1.7** and **11.5**. The Aggregate Damage Limitation shall not apply to damages caused by or arising out of any of the following events and any such damages shall be due and payable without regard to the Aggregate Damage Limitation:

11.6.1 material intentional misrepresentation or intentional misconduct sanctioned by, or at the direction of, Seller in connection with this PPA;

11.6.2 the sale or diversion by Seller to another Person of Accreditable Capacity or Contract Energy to which MP is entitled under this PPA;

11.6.3 Seller's failure to apply any insurance proceeds to reconstruction of the Facility following a casualty as required by **Section 6.7**;

11.6.4 any claim for Indemnification arising under **Article 12** of this Agreement;

11.6.5 Any Environmental Contamination caused by Seller.

11.7 Seller's Right to Mitigate Damages. If MP fails to accept delivery of any Contract Energy, except for curtailment as permitted by **Section 7.6** of this Agreement, for a period of ten (10) or more continuous days, notwithstanding any provision herein to the contrary,

Seller shall be entitled to sell the Energy, Capacity and associated Green Tags produced by the Facility to MISO or another Person until such time as MP provides Notice to Seller that MP will resume receipt of delivery of the Contract Energy, and the net income from any such third-party sales shall be in the nature of mitigation of Seller's damages arising from MP's breach of its obligation to accept delivery of Contract Energy.

11.8 MP Step-In Rights.

11.8.1 Upon the occurrence of an uncured Event of Default by Seller under **Sections 11.1.1, 11.1.3, 11.1.5,** and **11.1.8** after the Commercial Operation Date, and after the expiration of any cure period of Seller or any Financier and prior to and in lieu of termination of this PPA due to any default of Seller, MP shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interests under this PPA) during the period provided for herein ("Step-In Rights"). Seller shall not grant any person, other than any Financier or provider of operations and maintenance services, a right to possess, assume control of, and operate the Facility that is equal to or superior to MP's right under this **Section**. MP's rights under this **Section** shall be expressly subordinate to the rights of any Financier, except to the extent the Financier expressly waives such rights in a signed writing.

11.8.2 MP shall give Seller and Financier at least ten (10) Business Days' prior written notice prior to the exercise of MP's rights under this **Section**. Upon such notice, Seller shall diligently and promptly collect and have available at a convenient location all documents, contracts, books, manuals, reports, and records associated with operation and maintenance of the Facility in accordance with Good Utility Practice and all contractual obligations of Seller and third parties with respect to the Facility. Upon such notice, MP, its employees, contractors, or designated third parties shall be given the unrestricted right to enter the Site and the Facility for the purpose of operating the Facility subject to the terms and conditions of any applicable leases, easements, Permits and other contracts and agreements with respect to use of the Site and operation of the Facility, including, but not limited to, photovoltaic solar generator supply agreements, operation and maintenance agreements, and any agreements with or obligations to Financiers. Seller hereby irrevocably appoints MP as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as MP may reasonably deem necessary or appropriate to exercise MP's Step-In Rights under this **Section**.

11.8.3 MP shall be entitled to immediately draw upon the Security to cover any actual and reasonable expenses incurred by MP in exercising its rights under this **Section** and as necessary or appropriate to operate the Facility.

11.8.4 During any period that MP is in possession of the Facility, MP shall perform and comply with all of the obligations of Seller under this PPA, Permits, and any contractual and legal obligations of Seller with respect to the Site and Facility and shall use the proceeds from the sale of electricity generated by the Facility to, first, reimburse MP for any and all expenses reasonably and actually incurred by MP in taking possession of and operating the Facility (and which are not otherwise reimbursed by draws upon the Security), and to, second,

pay any operating and contractual expenses due and owing with respect to the Facility, and, third, remit remaining proceeds, if any, to Seller.

11.8.5 During any period that MP is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and MP shall assume possession, operation, and control solely as agent for Seller, except that MP's agency shall not include the right to create or cause any new obligations or liabilities for Seller.

11.8.6 In the event that MP has exercised its Step-In Rights, Seller may resume operation and MP shall relinquish its right to operate at such time as Seller demonstrates to MP's reasonable satisfaction that Seller has or will promptly remove those grounds that originally gave rise to MP's exercise of its Step-In Rights, and that Seller (i) will resume operation of the Facility in accordance with the provisions of this PPA, and (ii) has cured any defaults of Seller which allowed MP to exercise its rights under this **Section**.

11.8.7 MP's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by MP of any preexisting liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility MP elects to return such possession and operation to Seller, MP shall provide Seller with at least fifteen (15) Days advance Notice of the date MP intends to return such possession and operation, and upon receipt of such Notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

11.8.8 In the event that a Financier, or a nominee or transferee, becomes entitled to assume possession and control of the Facility pursuant to any security or collateral instrument or applicable law, MP agrees to relinquish the Step-In Rights and possession and control of the Facility in accordance with the request of the Financier or its nominee or transferee, if applicable.

11.8.9 In the event MP assumes operation of the Facility under this **Section**, MP shall operate the Facility in conformance with Good Utility Practice and all contractual obligations of Seller with respect to the Facility, including the agreements listed in **Section 11.8.2** and the Interconnection Agreement.

11.9 [TRADE SECRET DATA EXCISED]

11.10 Remedies Cumulative. Subject to the Aggregate Damage Limitation, and provisions of **Section 11.11** below, each right or remedy of the Parties provided for in this PPA shall be cumulative of and shall be in addition to every other right or remedy provided for in this PPA, and the exercise, or the beginning of the exercise, by a Party of any one or more or the rights or remedies provided for herein shall not preclude the simultaneous or later exercise by such Party of any or all other rights or remedies provided for herein.

11.11 Waiver and Exclusion of Other Damages. The Parties confirm that the express remedies and measures of damages provided in this PPA satisfy the essential purposes hereof. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct, actual damages only. Neither Party shall be liable to the other Party for

consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages by statute, in tort or contract (except to the extent expressly provided in this PPA); provided, that if either Party is held liable to a third party for such damages and the Party held liable for such damages is entitled to indemnification therefor from the other Party hereto, the indemnifying Party shall be liable for, and obligated to reimburse the indemnified Party for, such damages. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient, and that the liquidated damages constitute a reasonable approximation of the harm or loss. MP further acknowledges that in the event MP fails or refuses to accept delivery of Contract Energy, except as otherwise permitted by this Agreement, the resulting loss of ITC Benefits by Seller shall be considered direct and actual damages incurred by Seller and not consequential damages.

11.12 Payment of Amounts Due to MP. Without limiting any other provisions of this **Section** and at any time before or after termination of this PPA, MP may send Seller an invoice for such damages or other amounts as are due to MP at such time from Seller under this PPA and any invoiced amounts not subject to good faith dispute shall be payable within thirty (30) Days. MP may offset all such undisputed amounts from any monthly invoice due and owing to Seller up to a maximum amount equal to thirty percent (30%) of the invoice and MP may withdraw funds from the Security as needed to provide payment for such undisputed amounts to the extent any such amounts are not paid by Seller or offset by MP on or before the tenth (10th) Business Day following the invoice due date.

11.13 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of the PPA.

ARTICLE 12

INDEMNITY

12.1 Indemnification. Each Party (the "Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party and its directors, officers, employees, members or agents (the "Indemnified Party") from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to persons and damage to the Indemnified Party's real property and tangible property or facilities or the property of any other Person to the extent arising out of, resulting from, or caused by an Event of Default under this PPA, violation of any applicable environmental laws, or by the negligent or intentional tortious acts, errors, or omissions of the Indemnifying Party, its directors, officers, employees, or agents. Nothing in this **Section** shall enlarge or relieve Seller or MP of any liability to the other for any breach of this Agreement. This indemnification obligation shall apply notwithstanding any negligent or intentional acts, errors or omissions of the Indemnified Party, but the Indemnifying Party's liability to pay damages to the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party's negligent or intentional acts, errors or omissions caused the damages. Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct. These indemnity

provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

12.2 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Agreement as a result of a claim by a non-party, and the Indemnifying Party fails, after Notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party, contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

12.3 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this **Article**, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual loss, net of any insurance or other recovery.

12.4 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in **Section 12.1** may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such Notice shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

12.4.1 The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

12.4.2 The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

12.5 Damages. Except as otherwise provided in this **Article**, in the event that a Party is obligated to indemnify and hold the an Indemnified Party harmless under this **Article**, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's actual loss

net of any insurance proceeds received by the Indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

ARTICLE 13

INSURANCE

13.1 Evidence of Insurance. Seller shall, on or before June 1 of each Commercial Operation Year provide MP with two copies of insurance certificates acceptable to MP evidencing that insurance coverages for the Facility are in compliance with the specifications for insurance coverage set forth below in this **Article**. Such certificates shall (a) name MP as an additional insured (except worker's compensation); (b) provide that MP shall receive thirty (30) Days prior written Notice of non-renewal, cancellation of, or significant modification to any of the corresponding policies (except that such Notice shall be ten (10) Days for non-payment of premiums); (c) provide a waiver of any rights of subrogation against MP, its affiliated entities and their officers, directors, agents, subcontractors, and employees; and (d) indicate that the Commercial General Liability policy has been endorsed as described above. All policies shall be written with insurers licensed to provide insurance in Minnesota with a Best's rating of A- or better and a financial category of VIII or better. All policies shall be written on an occurrence basis or other basis acceptable to MP, except as provided in this **Article**. All policies shall contain an endorsement that Seller's policy shall be primary in all instances regardless of like coverages, if any, carried by MP. Seller's liability under this PPA is not limited to the amount of insurance coverage required herein.

13.2 General Liability and Umbrella Insurance. Commercial General Liability (CGL) and Commercial Umbrella Insurance shall be procured at a minimum limit of coverage of Ten Million Dollars ($10,000,000.00) combined single limit each occurrence and the aggregate, where applicable. If CGL insurance contains a general aggregate limit, it shall apply separately to the Facility.

13.2.1 CGL insurance shall be written on ISO occurrence form CG 00 01 10 01 (or a substitute form providing equivalent coverage and acceptable to MP) and shall cover liability arising from operations, products/completed operations, premises, independent contractors, property damage, personal injury and advertising injury, contracts, failure to supply power and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), all with limits as specified above. CGL insurance shall include ISO endorsement CG 24 17 (or its updated equivalent endorsement) which modifies the definition of "Insured contract" to eliminate the exclusion of easement or license agreements in connection with construction or demolition operations on or within fifty (50) feet of a railroad. There shall be no endorsement or modification of the CGL insurance limiting the scope of coverage for liability arising from collapse, explosion, or underground property damage.

13.2.2 MP shall be included as an insured under the CGL policy, using ISO additional insured endorsement CG 20 10 10 01 (or an updated substitute providing equivalent coverage), and shall be included under the commercial umbrella liability insurance. The commercial umbrella insurance shall provide coverage in excess of the CGL insurance, the Business Automobile Liability insurance, and the Employers Liability insurance. The

commercial umbrella insurance, in addition to the underlying coverages, will provide a minimum of Ten Million Dollars ($10,000,000.00) in limits.

13.2.3 The CGL and commercial umbrella insurance to be obtained by or on behalf of Seller shall be endorsed as follows: "Such insurance as afforded by this policy for the benefit of MP shall be primary as respects any claims, losses, expenses, damages including reasonable attorneys' fees or liabilities arising out of this Agreement, and insured hereunder, and any insurance carried by MP shall be excess of and noncontributing with insurance afforded by this policy."

13.3 Business Automobile Liability Insurance. If applicable, Business Automobile Liability insurance shall be procured at a level of One Million Dollars ($1,000,000.00) per accident combined single limit Bodily Injury and Property Damage including all Owned, Non-Owned, Hired and Leased Autos. Business Automobile Liability insurance shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or an updated form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

13.4 Workers Compensation Insurance. Workers Compensation Insurance shall be procured at the level required by relevant state statutes. Seller may comply with these requirements through the use of a qualified self-insurance plan.

13.5 Employers Liability Insurance. Employers Liability Insurance shall be procured at the level of One Million Dollars ($1,000,000.00) each accident for bodily injury by accident, or One Million Dollars ($1,000,000.00) per employee for bodily injury by disease.

13.6 Builder's Risk Insurance. If applicable, Builder's Risk insurance shall be procured at the Replacement value of the Facility. Builder's Risk insurance, or an installation floater, shall include coverage for earthquake and flood, faulty workmanship, collapse, materials and design, freezing or changes in temperature, testing of machinery or equipment, and debris removal. There shall be no limitation of coverage for occupancy prior to full completion and acceptance.

13.7 Environmental Impairment Liability. Environmental Impairment Liability shall be procured at a level of Ten Million Dollars ($10,000,000.00) each occurrence with deductibles that are no less than Five Hundred Thousand Dollars ($500,000).

13.8 "Special Form" Property Insurance. "Special Form" or Broad Form Property insurance, covering physical loss or damage to the Facility, shall be procured at the full replacement value of the Facility or with lower limits acceptable to MP. A deductible may be carried, which deductible shall be the responsibility of Seller. "Special Form" Property insurance shall include coverage for flood, fire, wind and storm, tornado and earthquake with respect to facilities similar in construction, location and occupancy to the Facility, with sub-limits of no less than Twenty-Five Million Dollars ($25,000,000.00) each for flood and earthquake.

13.9 Business Interruption Insurance. Business Interruption insurance shall be procured at the amount required to cover Seller's continuing or increased expenses, resulting

from full interruption for a period of no less than twelve (12) calendar months. Business Interruption insurance shall cover loss of revenues and the increased expense associated with the cost of replacement power attributable to the Facility by reason of total or partial suspension or delay of, or interruption in, the operation of the Facility as a result of an insured peril covered under Property and/or Boiler & Machinery insurance as set forth above to the extent available on commercially reasonable terms, subject to a reasonable deductible which shall be the responsibility of Seller. Notwithstanding any other provision of this Agreement, Seller shall not be required to have Business Interruption insurance until the Commercial Operation Date.

13.10 Term and Modification of Insurance.

13.10.1 All liability insurance(s) required under this PPA shall cover occurrences during the Term and for a period of two (2) years after the Term. In the event that any insurance as required herein is commercially available only on a "claims-made" basis, such insurance shall provide for a retroactive date not later than the Commencement Date and such insurance shall be maintained by Seller, with a retroactive date not later than the retroactive date required above, for a minimum of five (5) years after the Term.

13.10.2 If any insurance required to be maintained by Seller hereunder ceases to be reasonably available and commercially feasible in the commercial insurance market, Seller shall provide written Notice to MP, accompanied by a certificate from an independent insurance advisor of recognized national standing, certifying that such insurance is not reasonably available and commercially feasible in the commercial insurance market for electric generating plants of similar type, geographic location and capacity. Upon receipt of such Notice, Seller shall use commercially reasonable efforts to obtain other insurance which would provide comparable protection against the risk to be insured and MP shall not unreasonably withhold its consent to modify or waive such requirement.

ARTICLE 14

DISPUTE RESOLUTION

14.1 Dispute Resolution. The Parties will use reasonable efforts to resolve disputes informally and without the need to resort to litigation.

14.1.1 For all disputes that arise pursuant to the PPA, the Parties immediately, through their designated representatives selected in the sole discretion of each Party (individually, the "Party Representative", together, the "Parties' Representatives"), shall negotiate with one another in good faith in order to reach resolution of the dispute. Such negotiation shall commence within fourteen (14) Days of the date of the letter from one Party Representative to the other Party Representative notifying that Party of the nature of the dispute.

14.1.2 In the event that the Parties' Representatives cannot agree to a resolution of the dispute within thirty (30) Days after the commencement of negotiations, written Notice of the dispute (the "Dispute Notice"), together with a statement describing the issues or claims, shall be delivered, within seventy-two (72) hours after the expiration of such thirty (30) Day period, by each of the Parties' Representatives to its respective senior officer or official (such senior officer or official to be selected by each of the Party Representatives in his or her sole

discretion, provided that such senior officer or official has authority to bind the respective Party). Within three (3) Business Days after receipt of the Dispute Notice, the senior officers or officials for both Parties shall commence negotiating in good faith to resolve the dispute.

14.1.3 If the Parties are unable to resolve the dispute within fourteen (14) Days of receipt of the Dispute Notice by the senior officers or officials, either Party may seek available legal remedies.

14.2 Governing Law. The interpretation and performance of this PPA and each of its provisions shall be governed and construed in accordance with the laws of the State of Minnesota, without regard to its conflict of laws principles of the United States of America, as applicable. The Parties hereby submit to the exclusive jurisdiction of the federal courts of the State of Minnesota. To the extent that the federal courts lack subject matter jurisdiction over any dispute (through lack of diversity or otherwise) the Parties hereby submit to the exclusive jurisdiction of the applicable Minnesota District Court.

ARTICLE 15

REPRESENTATIONS, WARRANTIES AND COVENANTS

15.1 Seller's Representations, Warranties and Covenants. Seller hereby represents and warrants as follows:

15.1.1 Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Minnesota. Seller is qualified to do business in each other jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller; and Seller has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

15.1.2 The execution, delivery, and performance of its obligations under this PPA by Seller have been duly authorized by all necessary company action, and do not and will not:

(a) require any consent or approval by any governing body of Seller, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to MP upon its request);

(b) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to Seller or violate any provision in any formation documents of Seller, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this PPA;

(c) result in a breach or constitute a default under Seller's formation documents or bylaws, or under any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which

Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this PPA; or

(d) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this PPA.

15.1.3 This PPA is a valid and binding obligation of Seller, subject to the contingencies identified in **Section 1.3.**

15.1.4 The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which Seller is a party or any judgment, order, statute, or regulation that is applicable to Seller or the Facility.

15.1.5 To the best knowledge of Seller, and except for those permits, consents, approvals, licenses and authorizations identified in **Exhibit D**, which Seller anticipates will be obtained by Seller in the ordinary course of business, all permits, consents, approvals, licenses, authorizations, or other action required by any Governmental Authority to authorize Seller's execution, delivery and performance of this PPA have been duly obtained and are in full force and effect.

15.1.6 Seller intends to comply with all applicable local, state, and federal laws, regulations, and ordinances, including but not limited to any applicable equal opportunity and affirmative action requirements and all applicable federal, state, and local environmental laws and regulations presently in effect or which may be enacted during the Term of this PPA.

15.1.7 Seller shall disclose to MP, to the extent that, and as soon as it is known to Seller, any violation of any environmental laws or regulations arising out of the construction or operation of the Facility, or the presence of Environmental Contamination at the Facility or on the Site, alleged to exist by any Governmental Authority having jurisdiction over the Site, or the existence of any past or present enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination.

15.2 MP's Representations, Warranties and Covenants. MP hereby represents and warrants as follows:

15.2.1 MP is an operating division of ALLETE, Inc., a corporation duly organized, validly existing and in good standing under the laws of the State of Minnesota and is qualified in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of MP; and MP has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

15.2.2 The execution, delivery, and performance of its obligations under this PPA by MP have been duly authorized by all necessary corporate action, and do not and will not:

(a) require any consent or approval of MP's Board of Directors, or shareholders, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to Seller upon its request);

(b) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to MP or violate any provision in any corporate documents of MP, the violation of which could have a material adverse effect on the ability of MP to perform its obligations under this PPA;

(c) result in a breach or constitute a default under MP's corporate charter or bylaws, or under any agreement relating to the management or affairs of MP, or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which MP is a party or by which MP or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of MP to perform its obligations under this PPA; or

(d) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of MP now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of MP to perform its obligations under this PPA.

15.2.3 This PPA is a valid and binding obligation of MP, subject to the contingencies identified in **Section 1.2**.

15.2.4 The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which MP is a party or any judgment, order, statute, or regulation that is applicable to MP.

15.2.5 To the best knowledge of MP, and except for the contingencies set forth in **Section 1.2**, all approvals, authorizations, consents, or other action required by any Governmental Authority to authorize MP's execution, delivery and performance of this PPA have been duly obtained and are in full force and effect.

ARTICLE 16

FINANCING PROVISIONS

16.1 No Assignment Without Consent.

16.1.1 Except as expressly permitted in this **Section**, neither Party shall assign this PPA or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided that (i) at least thirty (30) Days prior Notice of any such assignment shall be given to the other Party; (ii) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party, and no assignment, whether or not consented to, shall relieve the assignor of its obligations hereunder in the event the assignee fails to perform, unless the other Party agrees in writing in advance to waive the assignor's continuing obligations pursuant to this PPA; (iii) any assignee of Seller shall provide required Security; (iv) before the PPA is assigned by a Party, the proposed assignee must first obtain such approvals as may be required by all applicable Governmental Authorities; and (v) the proposed assignee is acceptable to any Financier to Seller and provides MP with reasonable evidence that the assignee itself, or the operator it proposes to use at the Facility, has past operational experience of at least two years at a renewable generation facility of equal or greater size than the Facility..

16.1.2 Notwithstanding the foregoing, Seller's consent shall not be required for MP to assign this PPA to an Affiliate of MP, provided that MP provides assurances and executes documents reasonably required by Seller and any Financiers regarding MP's continued liability for all of MP's obligations under this PPA in the event of any nonperformance on the part of such assignee. In the event that the assignee has or obtains an investment grade unsecured bond rating equivalent to or better than the unsecured bond rating of MP (but in no event worse than the equivalent of BBB-), then Seller agrees to relieve MP from its obligations under this PPA and any other assurances upon written request by MP.

16.1.3 MP's consent shall not be required for Seller to assign this PPA for collateral purposes to any Financier.

16.2 Accommodation of Financier. To facilitate Seller's obtaining of financing to construct and operate the Facility, MP shall make reasonable efforts to provide such consents to assignments, certifications, representations, information or other documents as may be reasonably requested by Seller or any Financier in connection with the financing of the Facility consistent with the terms set forth in **Exhibit I** (generally, a "Financier Consent"); provided that in responding to any such request, MP shall have no obligation to provide any consent, or enter into any agreement, that materially adversely affects any of MP's rights, benefits, risks and/or obligations under this PPA. Seller shall reimburse, or shall cause any Financier to reimburse, MP for the incremental direct expenses (including, without limitation, the reasonable fees and expenses of counsel) incurred by MP in the preparation, negotiation, execution and/or delivery of any documents requested by Seller or any Financier, and provided by MP, pursuant to this **Section**.

16.3 Change of Control. Except as otherwise provided in this **Section 16.3**, any direct change of control of Seller shall require the prior written consent of MP, which shall not be unreasonably withheld, conditioned or delayed. For purposes of this **Section**, a change of control shall mean a transfer of at least fifty percent (50%) of the voting rights of Seller. Seller and any of its members may sell or transfer any of their respective membership interests to any Person in accordance with the member control or operating agreement of Seller and applicable law without MP's consent. MP's consent shall not be required for any change of control which occurs by operation of Seller's member control agreement and which merely results in a change of percentage ownership among Persons (including Financiers) who constitute Seller's members and which does not involve the addition of a new member or transfer of voting rights to any other Person.

16.4 Notice of Financier Action. Within ten (10) Days following Seller's receipt of each written Notice from any Financier of default, or any Financier's intent to exercise any remedies, under the Financing Documents, Seller shall deliver a copy of such Notice to MP.

16.5 Transfer Without Consent is Null and Void. Any purported sale, transfer, or assignment of any interest in this PPA made without fulfilling the conditions precedent to such assignment (if any) or obtaining the consent of the other Party (if required) shall be null and void.

ARTICLE 17

MISCELLANEOUS

17.1 Notices. Notices required by this PPA shall be in writing and addressed to the other Party, including the other Party's representative on the Operating Committee, at the addresses noted in **Exhibit E** as either Party updates them from time to time by written Notice to the other Party. Any Notice under this PPA shall either be hand delivered or delivered by first-class mail, postage prepaid, to the applicable representative of said other Party. If mailed, the Notice shall be simultaneously sent by facsimile or email. Any such Notice shall be deemed to have been received by the close of the Business Day on which it was postmarked, hand delivered or transmitted electronically (unless hand delivered or transmitted after the close of regular business hours in which case it shall be deemed received at the close of the next Business Day). Real-time or routine communications concerning Facility operations shall be exempt from this **Section**. Seller shall provide Notice and updates with revised exhibits within 30 days of any known changes to the following exhibits: Exhibits A, C, and D, which upon Notice shall supersede the existing applicable exhibit.

17.1.1 Each Party shall maintain a designated representative to receive Notices as listed on **Exhibit E**. Such representative may, at the option of each Party, be the same person as that Party's representative or alternate representative on the Operating Committee, or a different person.

17.1.2 Either Party may change the information for their Notice addresses in **Exhibit E** at any time without the approval of the other Party by providing Notice to the other Party.

17.2 Taxes.

17.2.1 Seller shall be solely responsible for any and all present or future taxes relating to the construction, ownership or leasing, operation or maintenance of the Facility, or any components or appurtenances thereof, and all ad valorem taxes relating to the Facility, and all personal property or production taxes assessed against the Facility, whether based on value or production, and income taxes payable on income earned by Seller. MP shall be responsible for any taxes imposed on its purchase of the Contract Energy, Accreditable Capacity and Green Tags or any distribution and transmission, use or sale of Contract Energy, Accreditable Capacity or Green Tags after MP's receipt at the Point of Delivery.

17.2.2 The Parties shall cooperate to minimize tax exposure; provided that neither Party shall be obligated to incur any financial burden to reduce taxes for which the other Party is responsible hereunder. All electric energy delivered by Seller to MP hereunder shall be sales for resale, with MP reselling such electric energy. MP shall obtain and provide Seller with any certificates required by any Governmental Authority, or otherwise reasonably requested by Seller to evidence that the deliveries of electric energy hereunder are sales for resale.

17.2.3 Seller is entitled to receive any federal tax credits pursuant to 26 U.S.C. § 48, as amended, and 26 U.S.C. §45, as amended, and any other investment or production tax credits or payments or other tax credits, grants or assistance available to Seller or the Facility from any Governmental Authority, and MP acknowledges that Seller is entitled to such credits.

17.3 Fines and Penalties.

17.3.1 Any fines, penalties or other costs incurred by either Party or such Party's agents, employees or subcontractors for non-compliance by such Party, its agents, employees or subcontractors with the requirements of any Governmental Authority shall not be reimbursed by the other Party but shall be the sole responsibility of such non-complying Party.

17.3.2 If fines, penalties or other costs are assessed against a Party by any Governmental Authority or court of competent jurisdiction due to the wrongful or unlawful actions or inactions of the other Party, the Party causing the fine, penalty or other cost to be assessed shall indemnify and hold harmless the other Party against any and all losses, liabilities, damages and claims suffered or incurred thereby. The indemnifying Party shall also reimburse the other Party for any and all legal or other expenses (including attorneys' fees) actually and reasonably incurred in connection with such losses, liabilities, damages and claims.

17.4 Rate Changes.

17.4.1 The terms and conditions and the rates for service specified in this Agreement shall remain in effect for the term of the transaction described herein. Absent the Parties' written agreement, this Agreement shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act.

17.4.2 Absent the written agreement of all Parties to the proposed change, the standard of review for changes to this Agreement whether proposed by a Party, a non-party, or the Federal Energy Regulatory Commission acting sua sponte shall be the "public interest" standard of review set forth in *United Gas Pipe Line v. Mobile Gas Service Corp*., 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co*., 350 U.S. 348 (1956) (the "Mobile-Sierra doctrine") as interpreted in *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1*, 554 U.S. 527 (2008).

17.5 Relationship of the Parties.

17.5.1 The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. This PPA shall not be interpreted to create an association, joint venture, or partnership between the Parties nor to impose any partnership obligation or liability or any trust or fiduciary obligation or relationship upon either Party. Except as specifically provided for in **Section 11.8**, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

17.5.2 Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform Seller's obligations under the PPA, including all federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by Seller shall be considered employees of MP for any purpose; nor shall Seller represent to any person that it is or shall become a MP agent.

17.5.3 In executing this PPA, MP does not, nor should it be construed to, extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with Seller. Nothing in this PPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this PPA.

17.5.4 The relationship between MP and Seller shall be that of contracting party to independent contractor. Accordingly, subject to the terms of this Agreement, MP shall have no general right to prescribe the means by which Seller shall meet its obligations under this Agreement.

17.6 Subcontracting. Seller may subcontract its duties or obligations under this PPA without the prior written consent of MP, provided that no such subcontract shall relieve Seller of any of its duties or obligations hereunder.

17.7 Forward Contract. MP and Seller acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.

17.8 Equal Employment Opportunity Compliance Certification. Seller acknowledges that as a government contractor MP is subject to various federal laws, executive orders, and regulations regarding equal employment opportunity and affirmative action. These laws may also be applicable to Seller as a contractor to MP. All applicable equal opportunity and affirmative action clauses shall be deemed to be incorporated herein as required by federal laws, executive orders, and regulations, including but not limited to 41 C.F.R. § 60-1.4(a)(1-7).

17.9 Survival of Obligations. Cancellation, expiration, or earlier termination of this PPA shall not relieve the Parties of obligations that by their nature should survive such cancellation, expiration, or termination, prior to the term of the applicable statute of limitations, including without limitation warranties, remedies, or indemnities which obligation shall survive for the period of the applicable statute(s) of limitation.

17.10 Severability. In the event any of the terms, covenants, or conditions of this PPA, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of the PPA and their application not adversely affected thereby shall remain in force and effect; provided, however, that MP and Seller shall negotiate in good faith to implement an equitable adjustment in the provisions of this Agreement with a view toward the purposes of this Agreement by replacing the invalid, illegal or unenforceable provision with valid provisions, the economic and other effects of which come as close as possible to that of the invalid, illegal or unenforceable provision.

17.11 Complete Agreement; Amendments. The terms and provisions contained in this PPA constitute the entire agreement between MP and Seller with respect to the Facility and shall supersede all previous communications, representations, or agreements, either verbal or written, between MP and Seller with respect to the sale of Capacity and Energy from the Facility. This PPA may be amended, changed, modified, or altered only in a writing signed by both Parties.

17.12 Binding Effect. This PPA, as it may be amended from time to time pursuant to this Article, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors-in-interest, and assigns permitted hereunder.

17.13 Headings. Captions and headings used in this PPA are for ease of reference only and do not constitute a part of this PPA.

17.14 Waiver. Unless otherwise expressly set forth herein, the failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this PPA, or to take advantage of any of its rights thereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

17.15 Compliance with Laws. Each Party shall at all times comply with all applicable laws, ordinances, rules, and regulations applicable to it, except for any non-compliance which, individually or in the aggregate, could not reasonably be expected to have a material effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder. As applicable, each Party shall give all required Notices, shall procure and maintain all necessary governmental permits, licenses, and inspections necessary for performance of this PPA, and shall pay its respective charges and fees in connection therewith.

17.16 Counterparts. This PPA may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

17.17 Publicity. The Parties will cooperate in good faith to agree upon press releases that can be issued following execution of the PPA, describing the location, size, type and timing

of construction of the Facility, the long-term nature of the PPA and other relevant factual information. Subject to the Parties' confidentiality obligation set forth in **Section 17.19**, nothing in this **Section** shall restrict the contacted Party from responding to any such media contact.

17.18 Disclaimer of Third Party Beneficiary Rights. Nothing in this PPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this PPA. No provision of this PPA is intended to, nor shall it in any way, inure to the benefit of any customer or any other Person not a Party so as to constitute any such Person a third-party beneficiary under this PPA.

17.19 Confidentiality. This Agreement shall be considered proprietary and trade secret and shall not be provided in whole or in part to any other Person without prior written approval of the other Party. In the event certain information must be provided pursuant to a regulatory proceeding, the Parties shall take reasonable steps to protect the confidentiality of proprietary and trade secret information, and Seller shall cooperate with MP to limit the scope of information designated as proprietary to that which Seller, at the time, deems to still be trade secret.

The Parties acknowledge and agree that during the course of the performance of their respective obligations under this Agreement, either Party may need to provide information to the other Party that the disclosing Party deems confidential, proprietary or trade secret. All documentation and data, including but not limited to, contracts, special techniques, methods, computer programs and software, that the disclosing Party wants the receiving Party to maintain as confidential shall be designated as proprietary, confidential or trade secret (collectively "Proprietary Data") and shall be treated as such by the receiving Party to be proprietary, confidential or trade secret. The disclosing Party hereby grants to the receiving Party authority to use Proprietary Data only for the purposes of this Agreement. The receiving Party agrees to keep such Proprietary Data confidential, to use it only for work necessary to the performance of this Agreement, and not to sell, transfer, sublicense, disclose or otherwise make available any such Proprietary Data to any other Persons, including any employees or agents of a Party (other than a Party's counsel, consultants, accountants, lenders and prospective lenders, investors and prospective investors, and prospective purchasers, who agree to maintain the confidentiality of the information). In the event that a Party is required by law or regulatory or judicial order to disclose Proprietary Information of the other Party, the receiving Party shall provide prompt notice of the proposed disclosure in order that the disclosing Party may take such action as is appropriate to prevent, limit or condition such disclosure. In such an event, the receiving Party shall take all reasonable actions to prevent the disclosure, to limit the scope of the disclosure, or to condition the disclosure on the receipt of adequate protections. Without limiting the generality of the foregoing, each Party shall observe at least the same safeguards and precautions with regard to Proprietary Information of the other Party which such Party observes with respect to its own trade secret information. Each Party agrees that it will make Proprietary Information available to its own employees only on a need-to-know basis for purposes associated with approval or management of this Agreement, and that all persons to whom such Proprietary Information is made available will be required to maintain the confidentiality of the information. MP specifically agrees that it shall not disclose any information or documents received from Seller to any MP agents, consultants, representatives, or contractors who are involved in the development, engineering, procurement, construction, operation, financing or otherwise with respect to energy conversion facilities to be owned or developed by MP and MP employees shall

not utilize any information or documents from Seller in the development, engineering, procurement, construction, operation, financing or otherwise with respect to energy conversion facilities to be owned or developed by MP. Notwithstanding the foregoing either Party may disclose any Proprietary Information that becomes public information through no wrongful act of the receiving Party; or that is provided to the receiving Party by a third party without restriction known to the receiving Party and without breach of this Agreement. The obligations of the Parties under this **Section** shall remain in full force and effect for two (2) years following the termination of this Agreement.

Except as required by applicable law, regulation or securities exchange rule, any public announcement, press release or similar publicity with respect to this Agreement or the transaction contemplated hereby will be issued at such time, in such manner and with such content as the Parties mutually agree.

Notwithstanding the foregoing, the Parties will cooperate reasonably to prepare a "public version" of this PPA for inclusion in the public record at the MPUC. The Parties agree that the public version of this PPA will redact only such information that properly constitutes "trade secret" information.

ARTICLE 18

DEFINITIONS

18.1 Definitions. The following terms shall have the meanings set forth herein:

"**Abandonment**" – prior to the Commercial Operation Date, complete cessation of construction of the Facility for sixty (60) consecutive Days by Seller or Seller's contractors, but only if such sale or cessation is not caused by or attributable to a default of, or request by, MP, or Force Majeure.

"**Accreditable Capacity**" – the amount of net generating capability associated with the Facility, if any, for which capacity credit may be obtained under MISO rules. Initially, such requirements are set forth in Module E of the MISO Tariff, the MISO Resource Adequacy Construct, and the MISO Business Practices Manual for Resource Adequacy and subject to delivery to Zone 1 as defined by MISO.

"**Affiliate**" of any named person or entity – any other person or entity that controls, is under the control of, or is under common control with, the named entity. The term "control" (including the terms "controls", "under the control of" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management of the policies of a person or entity, whether through ownership interest, by contract or otherwise.

"**Agreement**" – shall have the meaning set forth in the preamble.

"**Aggregate Damage Limitation**" – shall have the meaning as set forth in **Section 11.6.**

"**Ancillary Services**" – shall have the meaning set forth in the relevant Tariff.

"Back-Up Metering" shall have the meaning set forth in **Section 5.3.2.**

"**Business Day**" – any calendar day that is not a Saturday, a Sunday, or a NERC recognized holiday.

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"Capacity" – the output potential a machine or system can produce or carry under specified conditions. The capacity of generating equipment is generally expressed in MW. Capacity is also referred to as "capability" in the industry and for the purposes of this Agreement.

"**Commencement Date**" – the date on which both Parties shall have executed and delivered this PPA.

"**Commercial Operation**" – the period beginning on the Commercial Operation Date and continuing through the Term.

"**Commercial Operation Date**" or "**COD**" – the date that Seller successfully satisfies the provisions of **Section 4.5** and all of the Conditions specified in **Section 4.5** have occurred or otherwise been satisfied.

"**Commercial Operation Milestone**" – the Major Milestone for the Commercial Operation Date. The Commercial Operation Milestone is specified in **Exhibit C**, subject to the provisions of this Agreement for extensions and modifications.

"**Commercial Operation Year**" – any consecutive twelve (12) month period, during the Term of this PPA, commencing with the Commercial Operation Date or any anniversary thereof.

"Commissioning Date" – the date on which the developer issues a commissioning certificated for the Facility indicating that the Facility has satisfied all commissioning procedures.

"Compensated Curtailment" – shall have the meaning set forth in **Section 7.6.3** hereof.

"**Contract Energy**" – Energy generated by the Facility and delivered to MP at the Point of Delivery, including Zonal Resource Credits.

"Construction Contract" – the contract or contracts providing for the acquisition, manufacture, delivery and installation of the generating and step-up transformation equipment that is to be part of the Facility and the engineering, procurement and construction of the Facility. The Construction Contract may consist of a single engineering, procurement and construction contract, in which case such single engineering, procurement and construction contract shall constitute the Construction Contract, or it may consist of a series of contracts (such as a photovoltaic solar generator supply and installation contract and a balance of plant contract), in which case such series of contracts shall collectively constitute the Construction Contract.

"**Day**" – a calendar day.

"Delivery Arrangements" – any or a combination of: (1) firm or non-firm transmission reservation across a third party's systems in the form of a transmission service agreement for firm transmission service or otherwise, or (2) firm point-to-point or network (or equivalent) transmission service, or non-firm point-to-point transmission service on or off the Interconnection Provider's System, granted by MISO, an RTO or other New Joint Transmission Authority.

"Dispute Notice" – shall have the meaning set forth in **Section 14.1.2.**

"**Effective Date**" – shall have the meaning set forth in the preamble.

"**Electric Interconnection Point**" – the physical point at which electrical interconnection is made between the Facility and the Interconnection Provider's System as further identified and described in **Exhibit A** and which shall be the same location as the interconnection point under the Interconnection Agreement.

"**Electric Metering Device(s)**" – all meters, metering equipment, and data processing equipment used to measure, record, or transmit data relating to the electric power and energy output from the Facility.

"Eligible Energy Resource" means any resource that qualifies as a renewable eligible energy technology under Minnesota Statute Section 216B.1691, subdivision 1.

"**Emergency**" – any condition or situation which in the judgment of MP, Interconnection Provider, MISO, or any other entity with operational control or authority over the interconnected transmission system (as communicated to MP or the Interconnection Provider), (i) endangers or might endanger life or property or (ii) adversely affects or might adversely affect MP's ability, or the ability of any other entity associated with the interconnected transmission system, to maintain safe and reliable electric service, including, but not limited to, an "Emergency" as defined in the Interconnection Agreement.

"Energy" – the amount of electricity either used or generated over a period of time, expressed in terms of megawatt-hours ("MWh").

"**Environmental Contamination**" – the presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the Site will not be available or usable for the purposes contemplated by this PPA.

"**Expected Energy**" – the amount of Contract Energy expected to be generated by the Facility in the relevant Calendar Year as set forth in **Exhibit F**.

"Event of Default" – shall mean, as applicable, a default of Seller pursuant to **Section 11.1** or a default of MP pursuant to **Section 11.3**.

"Excused Curtailment" – shall have the meaning set forth in **Section 7.6.2** hereof.

"**Facility**" – Seller's electric generating facility and all of Seller's Interconnection Facilities, including, but not limited to, Seller's equipment, buildings, generators, step-up transformers, output breakers, protective and associated equipment, improvements, and other tangible assets on the Site reasonably necessary for the construction, operation, and maintenance of the electric generating facility that produces the power and energy to be delivered to MP pursuant to this PPA.

"Fair Market Value" – shall have the meaning set forth in **Section 11.9.**

"**FERC**" – the Federal Energy Regulatory Commission and any successor agency.

"Financier" – Any individual or entity providing money or extending credit (including any capital lease) to Seller for (i) the construction, term, or permanent financing of the Facility whether in the form of debt, equity or other financing; or (ii) working capital or other ordinary business requirements for the Facility. "Financier" shall not include common trade creditors of Seller.

"Financier Consent" – shall have the meaning set forth in **Section 16.2.**

"**Financing Documents**" – the loan and credit agreements, notes, bonds, indentures, security agreements, lease financing agreements, mortgages, interest rate exchanges, or swap agreements and other documents relating to the development, bridge, construction and/or the permanent financing for the Facility, including any credit enhancement, credit support, working capital financing, or refinancing documents, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

"**Force Majeure**" – means causes or events beyond the reasonable control of, and without the fault or negligence of the Party claiming Force Majeure, which by exercise of due diligence and reasonable foresight could not reasonably have been avoided, including, without limitation, (i) acts of God; (ii) sudden actions of the elements, such as floods, earthquakes, hurricanes or tornadoes, lightning, ice storms, high winds of sufficient strength or duration to materially damage a facility or significantly impair its operation for a period of time longer than normally encountered in similar businesses under comparable circumstances; (iii) serial manufacturing and/or design defects in the photovoltaic solar generators or other major components comprising the Facility only in the event and to the extent that such occurrence is established to constitute a serial defect under Seller's photovoltaic solar generator supply agreement or Construction Contract; (iv) long-term material changes in renewable energy flows across the Facility caused by climactic change; (v) fire, sabotage, vandalism beyond that which could reasonably be prevented by Seller; terrorism; war; riots; fire; explosion; blockades; insurrection; and (vi)

actions or inactions by any Governmental Authority taken after the date hereof (including the adoption or change in any Applicable Laws imposed by such Governmental Authority), but only if such requirements, actions, or failures to act prevent or delay performance; and (vii) inability, despite due diligence, to obtain any licenses, permits, or approvals required by any Governmental Authority.

Notwithstanding the foregoing, the term Force Majeure does not include (i) inability by Seller to procure photovoltaic solar generators or any component parts, for any reason (the risk of which is assumed by Seller), (ii) any other acts or omissions of any third party, including any vendor, materialman, customer, or supplier of Seller, except failure of the Interconnection Provider (distribution and transmission owner) to complete all network upgrades (through no fault of Seller) necessary to deliver Contract Energy to the Point of Delivery, unless such acts or omissions are themselves excused by reason of Force Majeure; (iii) any full or partial curtailment in the electric output of the Facility that is caused by or arises from a mechanical or equipment breakdown or other mishaps, events or conditions attributable to normal wear and tear or flaws, unless such acts or omissions are themselves excused by reason of Force Majeure; (iv) failure to abide by Good Utility Practices; (v) changes in market conditions that affect the cost of Seller's supplies, or that affect demand or price for power and/or RECs; strike; slow-down or labor disruptions against Seller or Seller's contractors or subcontractors; or (vii) foreseeable disruptions to the Facility caused by weather events typically experienced in the region of the country where the facility is located, but excluding events and actions listed in this definition above.

"**Forced Outage**" – any condition that requires immediate removal of the Facility, or some part thereof, from service, another outage state, or a reserve shutdown state.

"**Good Utility Practice(s)**" – any of the practices, methods, and acts engaged in or approved by a significant portion of the electric or electric power generation industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known or reasonably should have known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

"**Governmental Authority**" – any nation, government, state or other political subdivision thereof, whether foreign or domestic, including, without limitation, any municipality, township and county, and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government, including, without limitation, any corporation, or other entity owned or controlled by any of the foregoing.

"Green Tags" – shall mean any contractual right to the full set of non-energy attributes, including any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, directly attributable to a specific amount of capacity and/or electric energy generated from an Eligible Energy Resource, including any and all environmental air quality credits, benefits, emissions reductions, off-sets, allowances, or other benefits as may be created or under

any existing or future statutory or regulatory scheme (federal, state, or local) by virtue of or due to the Facility's actual energy production or the Facility's energy production capability because of the Facility's environmental or renewable characteristics or attributes, including any Renewable Energy Credits including Solar or similar rights arising out of or eligible for consideration in the M-RETS Program. For the avoidance of doubt, Green Tags excludes (i) any local, state or federal depreciation deductions or other tax credits providing a tax benefit to Seller based on ownership of, or energy production from, any portion of the Facility, including the investment tax credit, Production Tax Credit and United States Treasury Cash Grant that may be available to Seller with respect to the Facility under Applicable Laws, and (ii) depreciation and other tax benefits arising from ownership or operation of the Facility unrelated to its status as a generator of renewable or environmentally clean energy.

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"**Hazardous Materials**" – any substance, material, gas, or particulate matter that is regulated by any Governmental Authority as an environmental pollutant or dangerous to public health, public welfare, or the natural environment including, without limitation, protection of non-human forms of life, land, water, groundwater, and air, including, but not limited to, any material or substance that is (i) defined as "toxic," "polluting," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "solid waste" or "restricted hazardous waste" under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. §1251); (vii) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6901); (viii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* (42 U.S.C. §9601); (ix) defined as a "chemical substance" under the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.* (15 U.S.C. §2601); or (x) defined as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 *et seq.* (7 U.S.C. §136).

"House Power" – shall have the meaning set forth in **Section 3.4.**

"Indemnified Party" – shall have the meaning set forth in **Section 12.1.**

"Indemnifying Party" – shall have the meaning set forth in **Section 12.1.**

"Initial Development Security" - shall have the meaning set forth in Section 9.1.1.

"Installed Capacity" – shall have the meaning set forth in **Section 3.1** hereof.

"**Interconnection Agreement**" – the separate agreement between Interconnection Provider, Seller and MISO (if applicable) with respect to the interconnection of the Facility to the Interconnection Provider's System, as such agreement may be amended from time to time.

"**Interconnection Facilities**" – all the facilities installed for the purpose of interconnecting the Interconnection Provider's System and the Facility.

"**Interconnection Provider**" – the Person that owns and operates the distribution and transmission lines, Interconnection Facilities and other equipment and facilities with which the Facility interconnects at the Electric Interconnection Point, and any successor(s) or permitted assignees thereto.

"**Interconnection Provider's Interconnection Facilities**" – the facilities necessary to connect the Interconnection Provider's System with the Facility at the Electric Interconnection Point, including breakers, bus work, bus relays and associated equipment installed by the Interconnection Provider for the purpose of interconnecting the Facility, along with any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities.

"**Interconnection Provider's System**" – the contiguously interconnected electric distribution and transmission facilities, including Interconnection Provider's Interconnection Facilities, over which the Interconnection Provider has rights (by ownership or contract) to provide interconnection service for the Contract Energy at the Electric Interconnection Point.

"**Investment Grade Credit Rating**" – with respect to (a) a corporation, limited liability company, partnership, or other entity other than a financial institution, a long-term unsecured, general obligation bond rating of BBB or above from Standard & Poor's Corporation ("S&P") or Baa2 or above from Moody's Investors Services ("Moody's"), in each case with a "stable" outlook, or (b) a financial institution, a rating on the senior long-term debt of such financial institution of BBB or above from S&P or Baa2 or above from Moody's, in each case with a "stable" outlook.

"IRP Compliance Filing" – shall mean the combined resource additions submitted to the MPUC by MP resulting from the MPUC's July 18, 2016 Order Approving Resource Plan with Modifications in MPUC Docket No. E015/RP-15-690.

"ITCs" – federal investment tax credits arising from electricity produced from certain renewable resources pursuant to 26 U.S.C. § 48 as amended.

"ITC Value" – the value of ITCs derived.

"kWh"- kilowatt-hour.

"kVarh" – kilovar-hour.

"Letter of Credit" or "LOC" – shall have the meaning set forth in **Section 9.2.4.**

"Maintenance Schedule" – shall have the meaning set forth in **Section 6.2.2.**

"**Major Milestone(s)**" – the date(s) set forth in **Exhibit C** by which Seller agrees to achieve the corresponding result(s) specified for such date(s), including, but not limited to, the Commercial Operation Milestone.

"MISO" – the Midcontinent Independent Service Operator, Inc., and any successor organization.

"**MP**" – shall have the meaning set forth in the preamble.

"**MPUC**" – the Minnesota Public Utilities Commission and any successor agency.

"**MPUC Approval**" – receipt of a written final order from the MPUC approving this PPA and the IRP Compliance Filing or which otherwise approves the PPA and the IRP Compliance Filing as reasonable and in the public interest, subject only to the MPUC's ongoing jurisdiction to review the prudency of MP's purchases of Contract Energy, Accreditable Capacity and Green Tags pursuant to the PPA.

"**MPUC Approval Deadline Date**" **–** shall have the meaning set forth in **Section 1.2.1.**

"MWh"- megawatt-hour

"M-RETS Program" - the Midwest Renewable Energy Trading System program, MPUC Docket No. E-999/CI-04-1616 and subsequent related proceedings.

"**NERC**" – the North American Electric Reliability Council and any successor organization.

"Net Output" - means all energy produced by the Facility and delivered at the Point of Delivery.

"New Joint Transmission Authority" – any independent service organization or other Person that may be created or becomes operational subsequent to the date of this Agreement and that is empowered or authorized to plan, coordinate, operate, regulate or otherwise manage any or all of the Interconnection Provider's System, whether in place of, or in addition to MISO.

"**Notice**" – any notice, request, consent, or other communication required or authorized under this PPA to be given by one Party to the other Party.

"On-Peak Period" – day light hours as applicable for the time of year.

"**Operating Committee**" – one representative each from MP and Seller as described in **Section 8.3**.

"**Operating Procedures**" – those procedures implemented by the Operating Committee.

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"Output Shortfall" – has the meaning set forth in **Section 3.2.2.**

"Parties" – MP and Seller, and their respective successors and permitted assignees.

"Party" – MP or Seller, and their respective successors and permitted assignees.

"Party Representatives" – shall have the meaning set forth in **Section 14.1.2.**

"Performance Security" - has the meaning set forth in Section 9.1.3.

"Permits" – all state, federal, and locate authorizations, certificates, permits, licenses, and approvals required by any Governmental Authority for the construction, operation, and maintenance of the Facility.

"Person" – an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, Governmental Authority, or other entity.

"**Point of Delivery**" – the point on the electric system at which Seller makes available to MP and delivers to MP the Contract Energy being sold by Seller to MP under this PPA, and shall for the purposes of this PPA be the same physical location as the Electric Interconnection Point, which is described in **Exhibit A**.

"**PPA**" – shall have the meaning set forth in the preamble.

"Proprietary Data" – shall have the meaning set forth in **Section 17.19.**

"Requirements of Law" – collectively, the certificate of incorporation and bylaws or other organizational or governing documents of Seller or MP and any United States or Canadian federal, state or provincial law, treaty, franchise, rule, regulation, order, writ, judgment, injunction, decree, award or determination of any arbitrator or a court or other Governmental Authority.

"Replacement Power Costs" --- in the event Seller fails to satisfy its obligation set forth in **Section 3.2**, the difference between (i) the costs actually and reasonably incurred by MP, at MP's sole discretion, to purchase or produce Energy and Capacity plus a corresponding amount of Green Tags, any and all direct and indirect incidental charges incurred by MP minus (ii) the costs MP would have paid under this Agreement for such Energy, Capacity, and Green Tags.

"Resource Adequacy Capacity" – the amount of Contract Capacity that MP is permitted to claim annually under MISO's Resource Adequacy Construct to meet capacity, installed reserve, resource adequacy or other similar requirements as established by MISO.

"**Scheduled Outage/Derating**" – a planned interruption/reduction of the Facility's generation that is reasonably required for inspection, or preventive or corrective maintenance.

"**Security**" – the amount and type of security that Seller is required to establish and maintain, pursuant to **Article 9**, as security for Seller's performance under this PPA.

"**Seller Interconnection Facilities**" – the equipment on Seller's side of the Electric Interconnection Point, including all related relaying protection and physical structures as well as all distribution and transmission facilities required to access the Interconnection Provider's System at the Electric Interconnection Point, including Seller's metering, relays, and load control equipment as provided for in the Interconnection Agreement.

"Seller" – shall mean Blanchard Solar, LLC, a Minnesota limited liability company and its successors and permitted assignees.

"Seller CP Date" – has the meaning set forth in **Section 1.3**.

"Site" – the parcel of real property on which the Facility will be constructed and located, including any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of the Facility. The Site is more specifically described in **Exhibit A** to this PPA.

"Step-In Rights" – shall have the meaning set forth in **Section 11.8.**

"Stepped Up Development Security" has the meaning given thereto in **Section 9.1.2**.

"Substitute Owner" has the meaning given thereto in **Exhibit I.**

"TEMT" – the MISO Transmission and Energy Markets Tariff ("TEMT") in effect and as amended from time to time in accordance with applicable FERC regulations.

"**Term**" – Has the meaning ascribed to it in Section 1.1.

"**Test Energy**" – that Energy which is produced by the Facility and delivered to MP at the Point of Delivery in order to perform testing of the Facility prior to Commercial Operation.

"Zonal Resource Credits" shall mean Capacity Resources that are converted to Zonal Resource Credits pursuant to the MISO Tariff.

18.2 Rules of Construction. The capitalized terms in this Agreement shall have the meanings set forth herein whenever the terms appear in this PPA, whether in the singular or the plural or in the present or past tense. Other terms used in this PPA but not listed in this **Section** shall have meanings as commonly used in the English language and the generally accepted technical or trade meanings for technical terms used herein. In addition, the following rules of interpretation shall apply:

18.2.1 The masculine shall include the feminine and neuter.

18.2.2 References to "**Section**s," or "**Exhibit**s" shall be to **Articles**, **Section**s, or Exhibits of this PPA.

18.2.3 The **Exhibit**s attached hereto are incorporated in and made a part of this PPA; provided that in the event of a conflict between the terms of any **Exhibit** and the terms set forth in the body of this PPA, the terms set forth in the body of this PPA shall take precedence.

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

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

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IN WITNESS WHEREOF, the Parties have executed this PPA.

Blanchard Solar, LLC:

By: _____

Its: _____

Minnesota Power:

By: _____

Its: _____

EXHIBIT A

FACILITY DESCRIPTION, ONE-LINE DIAGRAM, AND SITE MAP

The Facility will consist of four SMA inverters, rated at 2.5 MW each, for a total Installed Capacity of 10.0 MW and associated solar panels manufactured by Canadian Solar, Inc.

If necessary, roads will be constructed to allow access by construction and delivery equipment and trucks, and reduced, as necessary, to appropriate size at the completion of construction.

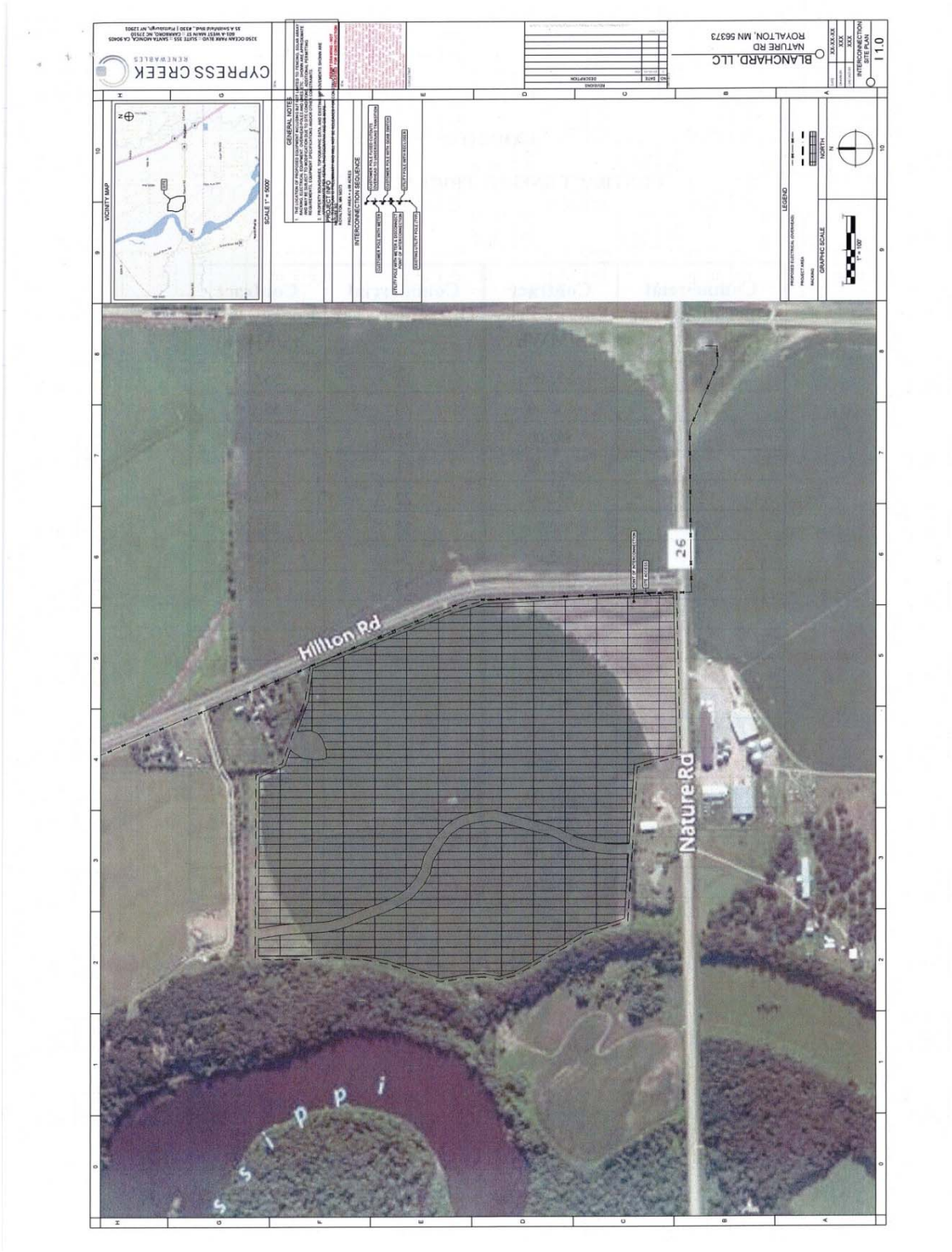
The facility will be located in Bellevue, Morrison County, Minnesota and interconnect with Minnesota Power.

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

Single-Line Diagram

[TRADE SECRET DATA EXCISED]

Site Plan


BLANCHARD, LLC
NATURE RD
ROYALTON, MN 56373
CYPRESS CREEK
RENEWABLES
INTERCONNECTION SITE PLAN
11.0
GENERAL NOTES
INTERCONNECTION SEQUENCE
VICINITY MAP
SCALE 1" = 1000'
LEGEND
GRAPHIC SCALE
NORTH
Hillton Rd
Nature Rd
26
ssippi

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

EXHIBIT B

CONTRACT ENERGY PRICE SCHEDULE

Commercial Operation Year	Contract Energy Price ($/MWh) [TRADE SECRET DATA EXCISED]	Commercial Operation Year	Contract Energy Price ($/MWh) [TRADE SECRET DATA EXCISED]
1	[redacted]	19	[redacted]
2		20	
3		21	
4		21	
5		22	
6		23	
7		24	
8		25	
9			
10			
11			
12			
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EXHIBIT C

MAJOR MILESTONES

Major Milestone	Results Seller Must Achieve
6/30/2017	Site Control Agreement Executed
6/30/2019	Conditional Use Permit / Interim Use Permit Received
6/30/2019	Interconnection Agreement Executed
12/15/2019	Issuance of Full Notice to Proceed to Contractor
5/15/2020	Mechanical Completion
6/30/2020	Commercial Operation Date

EXHIBIT D

SELLER'S REQUIRED GOVERNMENTAL AUTHORITY, PERMITS, CONSENTS, APPROVALS, LICENSES AND AUTHORIZATIONS TO BE OBTAINED

Permit/ Approval	Issuing Agency
Conditional Use Permit / Interim Use Permit	County
Tree Removal Permit (if required)	County
Jurisdictional Determination (if required) or Wetlands Concurrence (if required)	U.S. Army Corps of Engineers
Wetlands Concurrence (if required)	Local Government Unit (LGU)
Federal Endangered Species Concurrence (if required)	U.S. Fish and Wildlife Service
State Endangered Species Concurrence (if required)	Minnesota Department of Natural Resources
Cultural Resource Concurrence (if required)	Minnesota State Historical Preservation Office
National Pollutant Discharge Elimination System (NPDES) / State Disposal System (SDS)	Minnesota Pollution Control Agency
Stormwater Control and Erosion Permit	County
Building Permit	County
Electrical Permit	County
Driveway Permit	Minnesota Department of Transportation

EXHIBIT E

NOTICE ADDRESSES

Page 1 of 1

MP	SELLER
Notices: Vice President Strategy & Planning Minnesota Power 30 W. Superior Street Duluth, MN 55802 Phone: (800) 228-4966 Fax: (218) 723-3915 With a copy to: Chief Legal Officer Minnesota Power 30 W. Superior Street Duluth, MN 55802 Phone: (800) 228-4966 Fax: (218) 723-3955	**Notices:** Cypress Creek Renewables Attn: Asset Management 325 Ocean Park Blvd Suite 355 Santa Monica, CA 90405 Phone: (310) 581-6299 Fax: (310) 684-5875 With a copy to: Cypress Creek Renewables Attn: Legal 325 Ocean Park Blvd Suite 355 Santa Monica, CA 90405 Phone: (310) 581-6299 Fax: (310) 684-5875
Operating Committee Representative: To be specified in accordance with Section 8.3 **Alternate:** To be specified in accordance with Section 8.3.	**Operating Committee Representative:** To be specified in accordance with Section 8.3. **Alternate:** To be specified in accordance with Section 8.3.

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

EXHIBIT F

[TRADE SECRET DATA EXCISED]

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

EXHIBIT G

Generation Profile and Pricing (Attachment A of Proposal)

[TRADE SECRET DATA EXCISED]

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

EXHIBIT H

[TRADE SECRET DATA EXCISED]

EXHIBIT I

Financier Consent Provisions

In the event Seller collaterally assigns its rights hereunder to a Financier as security, any related Financier Consent will contain provisions substantially as follows:

1. Seller and MP will neither modify nor terminate the PPA other than as provided therein, without the prior written consent of the Financier.

2. The Financier shall have the right, but not the obligation, to do any act required to be performed by Seller under the PPA, and any such act performed by the Financier shall be as effective to prevent or cure a default as if done by Seller itself.

3. If MP becomes entitled to terminate the PPA due to an uncured Event of Default by Seller, MP shall not terminate the PPA unless it has first given notice of such uncured Event of Default to the Financier and has given the Financier the same cure period afforded to Seller under Section 11.1 of the PPA, plus an additional thirty (30) Days beyond Seller's cure period to cure any monetary Event of Default and an additional sixty (60) Days beyond Seller's cure period to cure any non-monetary Event of Default; *provided, however*, that if the Financier requires possession of the Facility in order to cure the Event of Default, and if the Financier diligently seeks possession, the Financier's additional thirty (30)-Day or sixty (60) Day cure period, as applicable shall not begin until foreclosure is completed, a receiver is appointed or possession is otherwise obtained by or on behalf of the Financier.

4. Neither the Financier nor any agent or trustee acting on behalf of Financier under the Financing Documents shall be obligated to perform or be liable for any obligation of Seller under the PPA until and unless any of them assumes possession of the Facility through the exercise of the Financier's rights and remedies.

5. Any party taking possession of the Facility through the exercise of the Financier's rights and remedies shall remain subject to the terms of the PPA and shall assume all of Seller's obligations under the PPA, both prospective and accrued, including the obligation to cure any then-existing defaults capable of cure by performance or the payment of money damages. In the event that the Financier or its successor assumes the PPA in accordance with this paragraph 5, MP shall continue the PPA with the Financier or its successor, as the case may be, substituted wholly in the place of Seller.

6. Within ninety (90) Days of any termination of the PPA in connection with any bankruptcy or insolvency Event of Default of Seller, the Financier (or its successor) and MP shall enter into a new power purchase agreement on the same terms and conditions as the PPA and for the period that would have been remaining under the PPA but for such termination.

7. MP shall deliver to Financier, concurrently with the delivery thereof to the Seller, a copy of each notice of breach or default of Seller given by MP pursuant to the PPA.

8. Subject to the provisions of Article 16, MP agrees that, if the Financier notifies MP that an event of default under the Financing Documents has occurred and is continuing and that the Financier has exercised its rights (i) to have itself or its designee substituted for the Seller under the PPA, (ii) to acquire or have its designee or assignee acquire the Seller or (iii) to sell, assign, transfer or otherwise dispose of the PPA to a third party, then the Financier, the Financier's designee or such third party (each, a "Substitute Owner") shall be substituted for the Seller under the PPA and, in such event, MP shall continue to perform its obligations under the PPA in favor of the Substitute Owner, subject to the terms and conditions thereof; provided, however, that the Substitute Owner shall be required to cure any then-existing defaults capable of cure by performance or the payment of money damages.

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

Appendix F: Development and Construction Management Agreement between Dairyland and South Shore

The entirety of this Appendix F has been designated as non-public. Dairyland and South Shore consider the entirety of the document to be trade secret as it contains information about contractually-negotiated terms which derive independent economic value from not being generally known or readily ascertainable by other persons, who could obtain economic value from their disclosure or use. To maintain the third-parties' competitiveness in contract negotiations regarding these terms, Minnesota Power maintains the confidentiality of this document. Minnesota Power has taken reasonable precautions to maintain confidentiality and this information is, therefore, trade secret as defined by Minn. Stat. § 13.37, subd. 1(b).

The Development and Construction Management Agreement between Dairyland and South Shore, dated June 1, 2017, contains the terms governing the development and construction responsibilities for the Nemadji Trail Energy Center through the in-service date of the Nemadji Trail Energy Center.

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

Appendix G: Ownership and Operating Agreement between Dairyland and South Shore

The entirety of this Appendix G has been designated as non-public. Dairyland and South Shore consider the entirety of the document to be trade secret as it contains information about contractually-negotiated terms which derive independent economic value from not being generally known or readily ascertainable by other persons, who could obtain economic value from their disclosure or use. To maintain the third-parties' competitiveness in contract negotiations regarding these terms, Minnesota Power maintains the confidentiality of this document. Minnesota Power has taken reasonable precautions to maintain confidentiality and this information is, therefore, trade secret as defined by Minn. Stat. § 13.37, subd. 1(b).

The Ownership and Operating Agreement between Dairyland and South Shore, dated June 1, 2017, establishes Dairyland and South Shore's ownership interests in the Nemadji Trail Energy Center; establishes their respective rights and obligations with respect to the planning, permitting, design, construction, acquisition and procurement, completion, renewal, addition, replacement, modification, operation, maintenance, repair, and decommissioning of the Nemadji Trail Energy Center; and to establish the standards, policies, and procedures governing the project.

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

NEMADJI TRAIL ENERGY CENTER
UNIT CONTINGENT
CAPACITY DEDICATION AGREEMENT

BETWEEN

MINNESOTA POWER,
AN OPERATING DIVISION OF ALLETE, INC.

AND

SOUTH SHORE ENERGY, LLC,
A WHOLLY-OWNED SUBSIDIARY OF ALLETE, INC.

Dated as of July 28, 2017

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UNIT CONTINGENT

CAPACITY DEDICATION AGREEMENT

This Capacity Dedication Agreement (hereinafter called the "Agreement" or the "CDA"), is made and entered into as of this 28th day of July, 2017 ("Effective Date"), by and between Minnesota Power, an operating division of ALLETE, Inc., a Minnesota corporation and a Minnesota rate-regulated investor-owned public utility (hereinafter "Minnesota Power"), and South Shore Energy, LLC a Wisconsin limited liability company, and a wholly-owned subsidiary of ALLETE, Inc. and an Affiliate of Minnesota Power (hereinafter "South Shore")(each of Minnesota Power and South Shore a "Party" and collectively the "Parties").

W I T N E S S E T H:

WHEREAS, South Shore is co-developing an approximately 525 to 550 MW Baseline Capacity, combined-cycle natural-gas power plant, known as the Nemadji Trail Energy Center as further defined herein ("NTEC"), located in Superior, Wisconsin, and

WHEREAS, South Shore will own an undivided fifty percent (50%) of NTEC and Dairyland Power Cooperative ("Dairyland") will own an undivided fifty percent (50%) of NTEC, each as tenants in common (South Shore and Dairyland, collectively the "NTEC Owners"); and

WHEREAS, the NTEC Owners are parties to the (i) *Nemadji Trail Energy Center Development and Construction Management Agreement by and Among Dairyland Power Cooperative and South Shore Energy, LLC, as Owners, and South Shore Energy, LLC as Construction Agent* dated as of June 1, 2017 (the "Development and Construction Agreement" or the "D&C Agreement"), and the (ii) *Nemadji Trail Energy Center Ownership and Operating Agreement by and Among Dairyland Power Cooperative and South Shore Energy, LLC, as Owners, and South Shore Energy, LLC as Operating Agent* dated as of June 1, 2017 (the "Operating Agreement" or the "O&O Agreement") (the D&C Agreement and the O&O Agreement, collectively the "NTEC Agreements"); and

WHEREAS, Minnesota Power has identified a need to acquire approximately 250 MW of Accredited Capacity, for its utility system commencing by the end of 2024 and Minnesota Power has determined that the Dedicated Capacity provided by South Shore under this CDA is a reasonable resource acquisition to meet that identified need; and

WHEREAS, Minnesota Power is entitled under this CDA to utilize forty-eight percent (48%) of the Accredited Capacity of NTEC for all purposes on the same basis as if Minnesota Power owned such Accredited Capacity in its own name as a rate-based utility asset; and

WHEREAS, Minnesota Power's preference would be to develop, own, operate and maintain the Dedicated Capacity as an operating asset of the Minnesota Power rate-regulated investor-owned public utility, but the Wisconsin Utilities Holding Company Act ("WUHCA") requires that power generation facilities located in the State of Wisconsin, such as NTEC, be owned by a Wisconsin entity as required under Wis. Stat. § 196.795(5)(L); and

WHEREAS, by this Agreement, South Shore dedicates (i) the Dedicated Capacity to serve Minnesota Power's regulated retail electric system on the same basis as if owned and controlled by Minnesota Power on the same basis as if the Dedicated Capacity was a Minnesota Power rate-based asset, and (ii) the Energy production associated with the Dedicated Capacity is to be delivered at the Point of Delivery, on the same basis as if Minnesota Power owned the Dedicated Capacity in its own name; and

WHEREAS, as part of the indicia of ownership and control, Minnesota Power agrees that its purchase of the Dedicated Capacity and associated Energy under this CDA is subject to ongoing prudence review by the MPUC on the same basis as if Dedicated Capacity was a Minnesota Power's rate-based asset; and

WHEREAS, by two separate assignment agreements (the "Assignment Agreements") dated as of the same date as this CDA, South Shore has assigned its rights and obligations as Construction Agent and Operating Agent under the NTEC Agreements to Minnesota Power; and Minnesota Power has accepted that assignment to act as Construction Agent and Operating Agent on behalf of the NTEC Owners; and

WHEREAS, Minnesota Power's acceptance of (i) the Dedicated Capacity and (ii) the obligations as Construction Agent and Operating Agent of NTEC, are subject to and contingent upon Minnesota Power receiving MPUC Approval of the transactions contemplated by this CDA and the NTEC Agreements.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Minnesota Power and South Shore hereby agree as follows:

ARTICLE I CONDITIONS PRECEDENT

1.1 Conditions Precedent. Each Parties' obligations under this CDA are expressly contingent upon the satisfaction (or written waiver) of each of the following Conditions Precedent by the deadline dates listed below.

Condition Precedent	**Deadline Date**
Minnesota Power obtains MPUC Approval of (i) this CDA, (ii) the Assignment Agreements, and (iii) all other affiliated interest arrangements necessary to complete the transactions necessary for South Shore to dedicate the Dedicated Capacity to Minnesota Power and for Minnesota Power to obtain recovery of the costs incurred under this CDA on the same basis as if the Dedicated Capacity was a Minnesota Power rate-based asset.	October 31, 2018
South Shore obtains a Certificate of Public Convenience and Necessity for NTEC from the Public Service Commission of Wisconsin, which does not contain conditions reasonably and materially unsatisfactory to either Party.	December 31, 2019

Condition Precedent	**Deadline Date**
South Shore, in its capacity as one of the NTEC Owners, obtains the Permit required under Title V of the Clean Air Act (42 U.S.C. 7401 et seq.) for NTEC, which does not contain conditions reasonably and materially unsatisfactory to either Party.	May 31, 2021
The Interconnection Agreement supporting the final designated Baseline Capacity of NTEC has been executed by South Shore, Dairyland and MISO.	May 31, 2021
South Shore, in its capacity as one of the NTEC Owners, obtains written confirmation in a form satisfactory to Minnesota Power that the final estimate of Network Upgrade costs (exclusive of the costs of Interconnection Facilities) attributable to NTEC set forth in the Interconnection Facilities Study for Network Upgrades or NUFS" during Phase III of the MISO "Definitive Planning Phase" does not exceed **[TRADE SECRET DATA BEGINS… …TRADE SECRET DATA ENDS]** on a NTEC-total basis (excluding financing costs).	May 31, 2021
South Shore, in its capacity as one of the NTEC Owners, obtains a determination in MISO's "Definitive Planning Phase" interconnection study process (as defined under the MISO Tariff) that the Network Upgrades required to attain firm capacity accreditation and Network Resource Interconnection Service for NTEC are expected to be completed prior to the Commercial Operation Milestone or that a later scheduled completion can be reasonably mitigated to the reasonable satisfaction of the Parties, including without limitation, extending the Commercial Operation Milestone until after completion of such Network Upgrades.	May 31, 2021

1.2 Reasonable Efforts. The Parties shall use Commercially Reasonable Efforts to satisfy each of the Conditions Precedent listed in Section 2.1 and shall cooperate reasonably in making filings and providing information in furtherance of the effort to satisfy them.

1.3 Termination Right.

1.3.1 Either Party shall have the right to terminate this CDA, as contemplated by this Section, if any Condition Precedent: (i) is denied or otherwise fails to be satisfied, or (ii) is approved but contains material limitations or conditions to approval that are unsatisfactory to such Party, in its sole discretion, or (iii) is not approved or has not otherwise occurred by the date specified.

1.3.2 Either Party shall have the right to terminate this Agreement upon thirty (30) Days' Notice after the failure or non-occurrence of any Condition(s) Precedent. If such

Party fails to terminate this CDA in the time(s) allowed by this Section, such Party shall be deemed to have waived its right to terminate this CDA under this Section for such reason(s).

1.3.3 At any time prior to termination of this CDA for failure to satisfy or waive any Condition(s) Precedent, the Parties may mutually agree to extend any such Condition(s) Precedent in writing.

ARTICLE II TERM OF AGREEMENT

2.1 Term of Agreement. The Agreement shall remain in full force and effect from the Effective Date through the expiration of the full 40-year economic useful life of the Dedicated Capacity on the books of South Shore, consistent with GAAP, plus an additional period of time necessary to undertake all activities necessary to complete Decommissioning.

2.2 Extension of Term. The Parties may agree to modify the Term of this CDA to reflect any changes to the depreciable life of NTEC on South Shore's books, to the date of permanent retirement of NTEC ("Plant Closure Date"), as determined by the Parties in accordance with Good Utility Practices and consistent with GAAP and as approved by the MPUC upon written request by Minnesota Power. Such Plant Closure Date shall include an additional period of time necessary to undertake or fund all activities necessary to complete Decommissioning.

2.3 Decommissioning. In all circumstances, Minnesota Power shall be responsible for all Decommissioning Costs incurred by or on behalf of South Shore to the full extent associated with the Dedicated Capacity.

ARTICLE III NTEC DEVELOPMENT

3.1 Description.

3.1.1 It is the intention of the Parties that South Shore dedicate the Dedicated Capacity and associated Energy production to Minnesota Power on the same basis as if Minnesota Power owned the Dedicated Capacity directly in its own name as a rate-based asset. Further, the Parties intend that Minnesota Power shall have all rights to the Dedicated Capacity and associated Energy production under this CDA to the full extent as if Minnesota Power was the owner in its own name of the Dedicated Capacity as a rate-based asset.

(a) The Parties acknowledge that South Shore is the owner of the Dedicated Capacity solely in order to comply with WUHCA's Wisconsin ownership requirements and that, but for those WUHCA requirements, Minnesota Power would own the Dedicated Capacity in its own name and to its own account as a rate-based asset.

(b) To that end, the Parties expressly agree that this CDA is subject to the jurisdiction of the MPUC and that the MPUC shall have ongoing oversight over the prudence of Minnesota Power's purchase of the Dedicated Capacity and any Energy or other products or services associated therewith on the same basis as if the Dedicated Capacity was a rate-based asset.

3.1.2 The Parties intend that Minnesota Power, in its role as Construction Agent and Operating Agent under the Assignment Agreements, be responsible to develop, construct, operate and maintain NTEC on behalf of the NTEC Owners and that Minnesota Power will have direct control over the Dedicated Capacity as the Construction Agent and the Operating Agent for the NTEC Owners, conditioned upon MPUC approval of the Assignment Agreements.

(a) Consistent with the stated intention of the Parties, South Shore shall own and Minnesota Power, in its role as Construction Agent and Operating Agent under the Assignment Agreements, shall construct, interconnect, operate, and maintain NTEC. A scaled map that identifies the location of the Site, NTEC, the Interconnection Point, Interconnection Facilities, the Point of Delivery, and other important facilities, is included in Exhibit B.

(b) In South Shore's role as Construction Agent under the D&C Agreement (prior to effectuation of the Assignment Agreements), South Shore is responsible for selecting the primary generating equipment for NTEC. Prior to such selection, South Shore shall give Minnesota Power the right to review and comment on alternatives and South Shore's proposed selection. Upon South Shore's final selection of the primary generating equipment for NTEC, South Shore shall provide Minnesota Power with Notice of the final Baseline Capacity of NTEC. South Shore shall use Commercially Reasonable Efforts to select the primary generating equipment for NTEC based upon reasonable economic assumptions taking into account, cost, efficiency, reliability and overall value of the selection.

3.2 Minnesota Power's Responsibilities. Upon receipt of MPUC Approval of this CDA and the Assignment Agreements, Minnesota Power shall be responsible for the development, construction, operation and maintenance of NTEC in accordance with the terms of the D&C Agreement and the O&O Agreement.

3.3 General Design of NTEC.

3.3.1 Minnesota Power, as Construction Agent for the NTEC Owners, shall design NTEC in accordance with the D&C Agreement to meet South Shore's obligations to meet the needs of Minnesota Power for the Dedicated Capacity and to meet the needs of the NTEC Owners.

3.3.2 NTEC shall be designed reasonably to achieve the Commercial Operation Milestone.

3.3.3 NTEC shall be designed, constructed, operated and maintained according to Good Utility Practice(s), the Interconnection Agreement, and the O&O Agreement, including all equipment necessary for the delivery of NTEC's output to the Point of Delivery using Network Resource Interconnection Service.

3.3.4 NTEC shall include all equipment necessary to fulfill South Shore's obligations to provide the Dedicated Capacity to Minnesota Power under this CDA.

3.4 Project Development.

3.4.1 Minnesota Power as Construction Agent for the NTEC Owners shall enter into all major contracts necessary for the successful development, construction, operation and maintenance of NTEC with qualified and experienced contractors. South Shore shall assign to Minnesota Power, all major contracts pertaining to NTEC entered into by South Shore as Construction Agent for the NTEC Owners prior to MPUC Approval of the Assignment Agreements. From and after MPUC Approval of the Assignment Agreements, South Shore shall ensure that Minnesota Power has the right and authority to utilize all major contracts entered into by South Shore on behalf of itself or the NTEC Owners. The Parties shall cooperate to address any issues that arise in the development and construction process. The Parties shall cooperate to address any issues that arise in the contracting process.

3.4.2 To the extent feasible, Minnesota Power as Construction Agent for the NTEC Owners shall adopt or obtain, and maintain all Permits necessary for the construction, ownership, operation and maintenance of NTEC. South Shore shall provide to Minnesota Power copies of any Permits or authorizations pertaining to NTEC needed to develop, construct, operate and maintain NTEC obtained by South Shore either as agent for the NTEC Owners or in its capacity as one of the NTEC Owners. From and after MPUC Approval of the Assignment Agreements, South Shore shall ensure that Minnesota Power has the right and authority to utilize all Permits obtained by NTEC to operate NTEC on behalf of the NTEC Owners. The Parties shall cooperate to address any issues that arise in the Permit application process.

3.4.3 The Parties shall cooperate with preparing for and participating in any inspections by any Governmental Authority relating to NTEC.

3.5 Commercial Operation. South Shore and Minnesota Power shall use Commercially Reasonable Efforts for NTEC to achieve Commercial Operation no later than the Commercial Operation Milestone or such other date as agreed to by Minnesota Power and South Shore. Commercial Operation of NTEC shall occur when each of the following conditions have been satisfied and confirmed in writing by an officer of Minnesota Power:

3.5.1 all material Permits have been obtained and are in full force and effect;

3.5.2 Minnesota Power and South Shore are in material compliance with this CDA;

3.5.3 NTEC is available to commence normal operations in accordance with the O&O Agreement;

3.5.4 South Shore is obligated under and in material compliance with the Interconnection Agreement;

3.5.5 all initial testing of NTEC and Interconnection Facilities required by the Interconnection Agreement have been satisfactorily completed;

3.5.6 South Shore has demonstrated the reliability of NTEC's communications systems and communication interface and NTEC is capable of receiving and reacting to signals

from Minnesota Power's SCADA system, and all Automatic Generation Control equipment is installed and operational;

3.5.7 NTEC has achieved three Successful Starts;

3.5.8 NTEC has generated continuously for a period of not less than 16 hours while synchronized to the Transmission Authority's System, of at least ninety percent (90%) of Baseline Capacity without experiencing any abnormal operating conditions;

3.5.9 NTEC has demonstrated initial dispatchability capability, operational compliance capability, and verification of ramp range and ramp rate pursuant to Good Utility Practice; and

3.5.10 all natural gas interconnection and metering arrangements necessary to operate NTEC have been completed, tested and are in effect.

3.6 Test Energy. Minnesota Power, in its role as Operating Agent for the NTEC Owners, shall be responsible for providing the necessary information to, and making all arrangements with, the Transmission Authority and any third parties to the extent required in advance and for the purposes of generating any Test Energy generation before Commercial Operation or to facilitate satisfying the conditions to Commercial Operation, in accordance with the Transmission Authority's requirements. After the Commercial Operation Date, to the extent practicable, all necessary testing of NTEC shall be conducted when NTEC is otherwise being dispatched, and any Test Energy generated and delivered during such tests shall be treated as delivered Energy for all purposes. Minnesota Power shall pay for all Test Energy generated prior to Commercial Operation on the same basis as for Energy generated and delivered under Section 5.3 hereof.

ARTICLE IV TRANSMISSION ARRANGEMENTS

4.1 Delivery Obligations. Minnesota Power, in its role as Construction Agent and Operating Agent for the NTEC Owners, shall be responsible for making, maintaining and paying all costs associated with the interconnection of NTEC to the Transmission Authority's System in accordance with the MISO Tariff.

4.1.1 Minnesota Power, in its role as Construction Agent and Operating Agent for the NTEC Owners, shall seek Network Resource Interconnection Service for the Accredited Capacity of NTEC. Minnesota Power shall collect the funds necessary to pay for NRIS under the Interconnection Agreement from the NTEC Owners and Minnesota Power shall be entitled to utilize forty-eight percent (48%) of the NRIS actually obtained to take delivery of the Dedicated Capacity pursuant to the terms of this CDA. The Point of Delivery shall be the same physical location as the Interconnection Point.

4.1.2 South Shore authorizes Minnesota Power to contact and obtain information concerning NTEC and Interconnection Facilities directly from any applicable Transmission Authority and, upon request, South Shore shall confirm such authorization in writing to such Transmission Authority or any applicable transmission owners in such form as requested by Minnesota Power or the Transmission Authority.

4.1.3 Minnesota Power shall be responsible for all electric losses, transmission and ancillary service arrangements, and costs required to transmit and deliver the Dedicated Capacity and associated Energy production beyond the Point of Delivery. If at any time during the Term, the entity owning the Interconnection Facilities at the Point of Delivery changes or the facilities at the Point of Delivery cease to be subject to the MISO Tariff, then the Parties shall cooperate in good faith to amend this CDA in a manner to facilitate the delivery of output from the Point of Delivery to Minnesota Power's customers at the least possible cost to Minnesota Power.

4.2 Electric Metering Devices.

4.2.1 All Electric Metering Devices used to measure Energy from NTEC shall be provided and installed, owned, and maintained in accordance with the Interconnection Agreement. The Energy attributable to the Dedicated Capacity transacted under this CDA shall equal Minnesota Power's proportionate share of the energy production of NTEC, calculated as that associated with the Dedicated Capacity.

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

(b) Minnesota Power, in its role as Operating Agent, shall have access to all Electric Metering Devices for all purposes necessary to perform under this CDA.

4.2.2 The Parties may elect to install and maintain back-up Electric Metering Devices at NTEC ("Back-Up Metering") to support the allocation of energy production among the NTEC Owners, ***provided, however, that*** the specifications, installation and testing of any such Back-Up Metering shall be consistent with the requirements for the Electric Metering Devices. The installing Party shall be responsible for the cost of any Back-Up Metering.

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

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

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

immediately preceding the test that found the Electric Metering Device to be defective or inaccurate.

4.3.3 To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Minnesota Power, Minnesota Power shall use the corrected measurements as determined in accordance with this Section to re-compute the amount due for the period of the inaccuracy and shall subtract the previous payments made by Minnesota Power for this period from such re-computed amount. The net difference shall be reflected as an adjustment on the next regular bill in accordance with Article 5.

4.4 Fuel. Fuel procurement, delivery, processing and use shall be as provided for in the O&O Agreement.

ARTICLE V SALE AND PURCHASE

5.1 General Provisions.

5.1.1 Title and risk of loss of the products and services transacted by this CDA shall transfer from South Shore to Minnesota Power at the Point of Delivery.

5.1.2 Capitalized terms used in this Section and not otherwise defined in this Agreement shall have the meanings prescribed in the MISO Tariff or the MISO Business Practices Manual.

5.1.3 Minnesota Power shall maintain separate records and accounts of its activities under this Agreement including records of payment for the Dedicated Capacity and Energy transacted in the MISO Market; and will account for its activities as Operating Agent for the NTEC Owners in a manner that segregates costs incurred under this CDA from costs arising under the O&O Agreement.

5.2 Capacity Dedication. From and after the Commercial Operation Date and throughout the Term, South Shore shall make the Dedicated Capacity and associated Energy available to Minnesota Power on a continuous basis except as may be excused by an event of Force Majeure or otherwise under this CDA. For the avoidance of doubt, Minnesota Power shall be entitled to receive and utilize and shall be responsible to take and pay for (i) forty-eight percent (48%) of the Baseline Capacity of NTEC for all purposes, (ii) forty-eight percent (48%) of the Accredited Capacity of NTEC, (iii) forty-eight percent (48%) of all Ancillary Services and Other Attributes, (iv) forty-eight percent (48%) of all other attributes associated with such Capacity, (v) forty-eight percent (48%) of the Energy produced by NTEC, (vi) forty-eight percent (48%) of the fuel consumed by and on behalf of NTEC, and (vii) forty-eight percent (48%) of the MISO Revenues and MISO Costs incurred related to NTEC.

5.2.1 Minnesota Power shall take and pay for the Dedicated Capacity.

5.2.2 South Shore shall not curtail or interrupt the availability of the Dedicated Capacity to Minnesota Power for any reason other than an event of Force Majeure or to the extent allowed by applicable NERC or MISO Tariff requirements.

5.2.3 In the event that the Transmission Authority reduces or curtails the firm transmission service designated, allocated, required or associated with the Dedicated Capacity, such curtailment shall be implemented on a pro rata basis in conjunction with the overall Accredited Capacity of NTEC in accordance with the provisions of the MISO Tariff.

5.3 Minnesota Power's Energy Rights. Minnesota Power, in its role as Operating Agent for the NTEC Owners, shall offer, schedule and dispatch the Energy associated with the Dedicated Capacity in conjunction and coordination with any other Energy associated with NTEC as a whole and in accordance with instructions from the Transmission Authority and consistent with current Market conditions. For the avoidance of doubt, the Parties acknowledge that the Energy associated with the Dedicated Capacity (forty-eight percent (48%)) shall be offered, scheduled and dispatched in conjunction with the overall capacity of NTEC on a unitary basis and that Minnesota Power shall be entitled to its pro rata share of any Energy actually dispatched (forty-eight percent (48%)), and shall receive all MISO Revenues and be responsible for all MISO Costs, fuel costs, and other costs incurred associated therewith.

5.3.1 Control. The Energy associated with the Dedicated Capacity shall be controlled by Minnesota Power on the same basis as if such Energy was generated by a facility owned by Minnesota Power. Under this CDA, Minnesota Power shall be responsible for all MISO Costs, fuel costs, and other costs and entitled to retain all MISO Revenues to the full extent of the Dedicated Capacity. Minnesota Power shall treat the Energy-related costs described in this Section in the same manner as Energy-related costs incurred associated with Minnesota Power's owned power plants.

(a) Minnesota Power, as Operating Agent for the NTEC Owners, shall determine the AGC control of NTEC, plant starts, shutdowns, ramping, and loading levels associated with NTEC, all in accordance with the Operating Agreement.

(b) Minnesota Power, as Operating Agent for the NTEC Owners, shall be responsible for and pay MISO Costs under the MISO Tariff and shall receive all MISO Revenues generated by sales of Energy from NTEC.

(c) Minnesota Power is obligated under the O&O Agreement to pass through all MISO Costs and remit all MISO Revenues to the NTEC Owners on a pro rata basis based on the NTEC Owners' ownership percentage of NTEC.

5.3.2 Offers. Energy offered into the Day-Ahead Energy and Operating Reserve Market shall be in accordance with the MISO Business Practices Manuals. Minnesota Power shall have no obligation to offer the Energy associated with the Dedicated Capacity into the Market separate and apart from the other Energy of NTEC.

5.3.3 Scheduling. Minnesota Power, as Operating Agent for the NTEC Owners, shall act as the Market Participant on behalf of the NTEC Owners and shall be responsible for scheduling all Energy offered into the Market pursuant to the MISO Tariff. Minnesota Power shall utilize the scheduling practices and procedures of the MISO Tariff including the MISO Business Practices Manuals in scheduling the dispatch of NTEC.

5.4 Other Products and Services. South Shore shall make available to Minnesota Power all Ancillary Services, Environmental Attributes, and Other Attributes associated with the Dedicated Capacity at no additional charge under this CDA. Minnesota Power shall have the right to offer and/or schedule the Ancillary Services associated with any Energy into the Market in conjunction with offering the ancillary services associated with NTEC on a joint and integrated basis.

5.4.1 Subject to the Operating Agreement, Minnesota Power shall be entitled to offer all Other Attributes and Ancillary Services associated with the Dedicated Capacity into the Market and to sell such products and services to the MISO Market or otherwise.

5.4.2 Any compensation South Shore receives for Other Attributes or Ancillary Services associated with the Dedicated Capacity shall be provided to Minnesota Power at no additional cost to Minnesota Power under this CDA.

ARTICLE VI PAYMENTS

6.1 Monthly Charges. Commencing as of the Commercial Operation Date, Minnesota Power shall pay to South Shore for each month of each Contract Year on a prospective basis a monthly charge (hereinafter called the "Monthly Charges"). Monthly Charges shall be calculated on a $/MW basis of the Dedicated Capacity. The Monthly Charges shall consist of the following charges incurred for each month: (i) the Monthly Capacity Payment, plus (ii) the Monthly Network Upgrade Payment; plus or minus (iii) any Applicable True-Up Payment. The Monthly Charges (MC) shall equal:

MC = MCP + MNUP +/- ATUP, where

MC means the Monthly Charges

MCP means the Monthly Capacity Payment

MNUP means the Monthly Network Upgrade Payment

ATUP means any Applicable True-Up Payment

6.1.1 Monthly Capacity Payment. The Monthly Capacity Payment reflects the recovery of the fixed cost elements associated with the Dedicated Capacity as a proportion of South Shore's Total Capital Investment in NTEC, as set forth in Exhibit C – NTEC Capital Costs and as adjusted from time to time as contemplated by this CDA.

(a) For each month of the Term, the Monthly Capacity Payment shall equal the amounts as set forth in Exhibit C – NTEC Capital Costs and as adjusted from time to time as contemplated by this CDA. This amount reflects South Shore's good-faith estimates for the Total Capital Investment in NTEC and the material assumptions for determining the Cost of Capital attributable to the Dedicated Capacity under this CDA.

(i) The Monthly Capacity Payment shall be reflected in the following formula derived from Exhibit C – NTEC Capital Costs and as adjusted from time to time as contemplated by this CDA:

MCP = MCC * DC, where

MCP means the Monthly Capacity Payment;

MCC means the Monthly Capacity Cost on a $/kW-Month basis as set forth in Exhibit C – NTEC Capital Costs; and

DC means the Dedicated Capacity, which is the number of MW representing forty-eight percent (48%) of NTEC's Baseline Capacity

(ii) For purposes of determining the Monthly Capacity Payment, the Monthly Capacity Cost, or MCC, shall be calculated on a $/kW-month basis and shall equal the monthly $/kW value of the annual Project Investment Related to Capacity Charges set forth in Exhibit C – NTEC Capital Costs and as adjusted from time to time as contemplated by this CDA:

ACC = PIRCC ÷ SSS = $/kW-Year

ACC ÷ 12 = MCC $/kW-Month, where

ACC means South Shore's Annual Capacity Cost

PIRCC means South Shore's Project Investment Related to Capacity Charges

SSS means South Shore's Share of NTEC

(iii) For purposes of determining the Project Investment Related to Capacity Charges or PIRCC, such amount shall equal the sum of Depreciation, State or Local Taxes and Cost of Capital as set forth in Exhibit C – NTEC Capital Costs.

PIRCC = D + SLT + CofC, where

D means Depreciation,

SLT means State or Local Taxes, and

CofC means Cost of Capital

(iv) For the first Contract Year and subject to true up as provided for in this CDA, the Monthly Capacity Payment due from Minnesota Power to South **[TRADE SECRET DATA BEGINS… …TRADE SECRET DATA ENDS]** (inclusive of financing costs) as provided in Exhibit C – NTEC Capital Costs.

(b) From and after the first Contract Year, Exhibit C – NTEC Capital Costs will be revised on an annual basis effective as of the beginning of each successive Contract Year to reflect actual values based upon current circumstances. For purposes of this CDA, the actual Capital Costs of South Shore's fifty percent (50%) share of NTEC shall be presumed not to exceed **[TRADE SECRET DATA BEGINS… …TRADE SECRET DATA ENDS]** in 2025 dollars (inclusive of financing costs) and the proportion attributable to Minnesota Power under this CDA shall equal the lesser of the Dedicated Capacity (forty-eight percent (48%)) multiplied by the actual Capital Costs or the Dedicated Capacity multiplied by **[TRADE SECRET DATA BEGINS… …TRADE SECRET DATA ENDS]** (the "Capital Cost Cap"), unless (i) such excess remains within the Overall Cap, or (ii) Minnesota Power obtains approval of the MPUC to exceed the Overall Cap.

(c) From and after the second Contract Year and for the remainder of the Term, the Capacity Pricing shall be based upon the annual values set forth in Exhibit C – NTEC Capital Costs as that Exhibit may be amended from time to time.

(d) The first Applicable True-Up Payment described in Section 6.1.3 of this Agreement shall include an adjustment from the estimated Capital Cost and other assumptions associated with NTEC as set forth in Exhibit C – NTEC Capital Costs, adjusted as authorized by this Agreement.

6.1.2 Monthly Network Upgrade Payment. The Monthly Network Upgrade Payment reflects the recovery of the Network Upgrade cost elements associated with the Dedicated Capacity as a proportion of South Shore's Total Network Upgrade Investment in NTEC, as adjusted from time to time as contemplated by this CDA. The Monthly Network Upgrade cost shall in all cases reflect Minnesota Power's reimbursement to the NTEC Owners for forty-eight percent (48%) of the actual costs incurred by the NTEC Owners for Network Upgrade charges as set forth in the Interconnection Agreement.

(a) Prior to the Commercial Operation Date, the Parties shall determine the actual Network Upgrade costs to be incurred by the NTEC Owners. For purposes of this CDA, the actual Network Upgrade costs attributable to South Shore's fifty-percent (50%) share of NTEC shall be presumed not to exceed **[TRADE SECRET DATA BEGINS… …TRADE SECRET DATA ENDS]** in 2025 dollars (inclusive of financing costs) and the proportion attributable to Minnesota Power under this CDA shall equal the lesser of the Dedicated Capacity multiplied by the actual Network Upgrade costs for NTEC or the Dedicated Capacity multiplied by **[TRADE SECRET DATA BEGINS… …TRADE SECRET DATA ENDS]** (the "Network Upgrade Cost Cap"), unless (i) such excess remains within the Overall Cap, or (ii) Minnesota Power obtains approval of the MPUC to exceed the Overall Cap.

(b) For illustrative purposes, Exhibit D – NTEC Network Upgrade Costs provides a sample calculation of the Monthly Network Upgrade Payment based upon assumed Network Upgrade costs attributable to South Shore of **[TRADE SECRET DATA BEGINS… …TRADE SECRET DATA ENDS]** (in 2025 dollars inclusive of financing costs). This amount is consistent with the Condition Precedent for Network Upgrade costs.

(i) The Monthly Network Upgrade Payment estimate reflected in Exhibit D – NTEC Network Upgrade Costs represents Minnesota Power's overall responsibility for forty-eight percent (48%) of the Network Upgrade costs incurred by the NTEC Owners as follows:

MNUP = MNUC * DC, where

MNUP means the Monthly Network Upgrade Payment;

MNUC means the Monthly Network Upgrade Cost on a $/kW-month basis; and

DC means the Dedicated Capacity, which is the number of MW representing forty-eight percent (48%) of NTEC's Baseline Capacity

(ii) For purposes of determining the Monthly Network Upgrade Payment, the Monthly Network Upgrade Cost or MNUC shall be calculated on a $/kW-month basis and shall equal the monthly $/kW value of the Network Upgrade Investment for Monthly Network Upgrade Cost set forth in Exhibit D – NTEC Network Upgrade Costs and as adjusted from time to time as contemplated by this CDA:

ANUC = NUIMNUC ÷ SSS = $/kW-Year

ANUC ÷ 12 = MNUC $/kW-month, where

ATC means South Shore's Annual Network Upgrade Cost

NUIMNUC means South Shore's Network Upgrade Investment for Monthly Network Upgrade Cost

SSS means South Shore's Share of NTEC

(iii) For purposes of the illustration, the Network Upgrade Investment for Monthly Network Upgrade Charges or NUIMNUC, equals the sum of Depreciation (Transmission) and Cost of Capital (Transmission) as set forth in Exhibit D – NTEC Network Upgrade Costs.

NUIMNUC = DT + CofCT, where

DT means Depreciation (Transmission), and

CofCT means Cost of Capital (Transmission)

(iv) For purposes of the illustration, the Monthly Network Upgrade Payment shall equal approximately **[TRADE SECRET DATA BEGINS… …TRADE SECRET DATA ENDS]** (forty-eight percent (48%)) of the Network Upgrade Costs (inclusive of financing costs) as shown in Exhibit D – Network Upgrade Costs.

6.1.3 True-Up Payment. The Applicable True-Up Payment shall be an amount calculated annually equal to any costs or charges required to be trued-up by this Agreement plus/minus any net costs or revenues incurred or received by Minnesota Power in connection with the Dedicated Capacity or the investment in Network Upgrades to reflect the actual costs incurred by Minnesota Power to procure the Dedicated Capacity and the Network Upgrades (as a forty-eight percent (48%) pro rata component of NTEC).

(a) Items subject to the Applicable True-Up Payment at the end of the first Contract Year shall include adjusting the Monthly Charges for the first Contract Year based upon the (i) actual Total Capital Investment in NTEC (subject to the Overall Cap), and (ii) Minnesota Power's then-current authorized Cost of Capital, and Depreciation schedule, each as applicable to Minnesota Power's assets generally as set by the MPUC in Minnesota Power's then-most-recent rate case or other rate setting proceeding. The Applicable True-Up Payment associated with Cost of Capital or Depreciation schedule, shall only be made at the end of the first Contract Year. Thereafter, adjustments in Capital Structure, Cost of Capital and Depreciation schedule shall only be adjusted prospectively based upon orders of the MPUC generally applicable to Minnesota Power's assets.

(b) Commencing with the second Contract Year, the Applicable True-Up Payment shall be used to adjust the previous Contract Year's Monthly Charges to reflect actual values (as opposed to estimates for (i) State or Local Taxes, and (ii) other estimated values that can be measured and applied to adjust prior payments.

6.1.4 Capped Investment. Notwithstanding any other provision of this CDA to the contrary, the overall cost of the Dedicated Capacity reimbursed under this CDA shall not exceed the Overall Cap unless Minnesota Power has obtained separate authorization from the MPUC to incur (and recover in rates) costs in excess of the Overall Cap.

(a) The components of the Overall Cap shall be presumed to constitute the highest aggregate amount that can be used in determining the Monthly Charges, provided that for purposes of this CDA, the Parties may allocate costs between the Total Capital Investment in NTEC and the Total Network Upgrade Investment, so long as the sum does not exceed the Overall Cap.

(b) Minnesota Power may seek subsequent MPUC Approval for the right to amend this CDA to exceed the Overall Cap based on actual circumstances, including addressing unforeseen costs and cost increases. Minnesota Power recognizes that it bears the burden of proving the reasonableness of any increase in the Overall Cap in the same fashion as it would if Minnesota Power owned the Dedicated Capacity as a rate-based asset.

6.2 Weekly Obligations. From and after the Commercial Operation Date, Minnesota Power shall receive revenues from South Shore and shall pay South Shore an amount equal to the Dedicated Capacity multiplied by the (i) Project Costs and (ii) Market Operations Costs, of NTEC.

6.2.1 Project Costs. For purposes of this Section, Project Costs includes the Dedicated Capacity's proportion of the Accredited Capacity of NTEC (forty-eight percent

(48%)) of all costs incurred in connection with the operation, maintenance, repair or Decommissioning of NTEC or any portion thereof arising under the O&O Agreement. For purposes of this Section, Project Costs shall include the costs of (i) any long-term service agreements (LTSAs) and any other operations and maintenance agreements entered into in connection with NTEC, and (ii) all other fixed and variable ongoing costs associated with NTEC as authorized under the O&O Agreement, except as explicitly limited by this Section.

6.2.2 Market Operations Revenues and Costs. Prior to the Commercial Operation Date, the NTEC Owners shall establish a Market Operations Account as described in the O&O Agreement to pay (i) fuel commodity costs, (ii) variable fuel transportation costs and (iii) charges imposed by MISO arising from the sales of Energy, Ancillary Services, Environmental Attributes, Other Attributes or Other Project Products into MISO markets (collectively, "Market Operations Costs").

(a) Minnesota Power shall be responsible for the Dedicated Capacity's proportion of the Accredited Capacity of NTEC (forty-eight percent (48%)) of all Market Operations Costs.

(b) Minnesota Power shall be entitled to receive the Dedicated Capacity's proportion of NTEC (forty-eight percent (48%)) of all MISO Revenues.

6.2.3 Funding Mechanism. In order to ensure the orderly operation of NTEC and to maximize the overall value of the investment, the NTEC Owners have developed a funding mechanism to make funds available to be used to meet NTEC's obligations as reflected in the O&O Agreement.

(a) Minnesota Power shall provide South Shore with funds sufficient to develop, construct, operate and maintain NTEC in amounts equal to the Dedicated Capacity (forty-eight percent (48%)). Minnesota Power shall deposit such funds into the Project Accounts as and when described in Section 5.2 of the O&O Agreement.

(b) Minnesota Power shall make available for deposit from time to time funds into the Trust Account, Working Capital Account and Market Operations Account, as defined under the O&O Agreement, sufficient to represent the portion of such funds attributable to the Dedicated Capacity (forty-eight percent (48%)).

(c) If at any time the amount remaining in any of the accounts called for under the O&O Agreement is less than the applicable required minimum balance, Minnesota Power shall be obligated to provide funds to the NTEC Owners to supplement the Market Operations Account to restore the required minimum balance, to the extent attributable to the Dedicated Capacity (forty-eight percent (48%)).

(d) Minnesota Power shall be entitled to recover the costs associated with any of the funding mechanisms contemplated by this Section through the Applicable True-Up Payment.

6.3 Decommissioning Costs. The Parties recognize and agree that Minnesota Power shall be obligated to pay South Shore's share of any Decommissioning Costs associated with the Dedicated Capacity.

ARTICLE VII BILLING AND PAYMENT

7.1 Billing Statement.

7.1.1 Monthly Charges. Commencing on the Commercial Operation Date and on the fifteenth (15^{th}) day of each calendar month thereafter, Minnesota Power shall prepare a monthly statement showing the amount of the Monthly Charges owed to South Shore under this CDA. Such statement shall provide an estimate of the Monthly Charges for such month along with any necessary revisions of Monthly Charges for prior months.

7.1.2 Weekly Charges. Minnesota Power, in its role as Operating Agent on behalf of the NTEC Owners, shall be responsible for collecting and disbursing funds necessary to account for the Weekly Charges incurred in connection with the Dedicated Capacity as described in Article 6 of this CDA.

(a) All MISO Revenues generated by sales of Energy, Ancillary Services or Other Project Products shall be deposited into the Market Operations Account under the O&O Agreement.

(b) On a weekly basis, Minnesota Power, as Operating Agent under the O&O Agreement, shall be entitled from South Shore to an amount equal to the Dedicated Capacity (forty-eight percent (48%)), of any excess of (i) the amount deposited by the NTEC Owners in the Market Operations Account over (ii) the sum of (a) the applicable minimum balance under the O&O Agreement, and (b) any committed or anticipated market operations costs for the period determined in accordance with the approved fuel procurement and transportation plan under the O&O Agreement.

7.2 Payment Due Date. The pro-forma estimate of the Monthly Charges, plus an adjustment for the difference between the prior month's pro-forma estimate of the Monthly Charges and the prior month's actual Monthly Charges, and any other amounts due from Minnesota Power to South Shore, shall be due and payable from Minnesota Power to South Shore on the twentieth (20th) day after the date the monthly statement is rendered.

7.3 Billing Disputes. In the event of any dispute between Minnesota Power and South Shore as to any portion of any monthly statement, Minnesota Power shall pay the full amount of the charges when due. As soon as practicable after the date of the disputed bill or an audit exception, Minnesota Power shall give written notice of the dispute or audit exception to South Shore. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid within one hundred eighty (180) Days after the date of the monthly statement. The dispute shall then be resolved in accordance with the dispute resolution procedures set forth in this CDA.

7.4 Annual Statement. On or before one hundred twenty (120) days after the end of each Contract Year, South Shore shall submit to Minnesota Power a detailed statement of the actual aggregate amount of the Monthly Charges for Capacity for all of the months for the prior Contract Year, based on the annual audit of accounts. If, on the basis of the statement submitted, the actual aggregate amount of the Monthly Charges for Capacity for the prior Contract Year exceeds the amount paid therefor by Minnesota Power based on South Shore's estimate and revision, if any, Minnesota Power shall pay South Shore promptly the amount to which South Shore is entitled. If, on the basis of the statement submitted, the actual aggregate amount of the Monthly Charges for Capacity for the prior Contract Year is less than the amount paid therefor by Minnesota Power based on South Shore's estimate and revision, if any, South Shore shall credit such excess against Minnesota Power's next monthly payment or payments.

7.5 Overpayments and Underpayments. If at the end of any Contract Year there are monies or credits remaining with South Shore which are overpayments by Minnesota Power under this Agreement, or if Minnesota Power owes South Shore monies by virtue of the provisions of this Agreement, such settlements will be made by the Parties pursuant to bills rendered and promptly paid.

ARTICLE VIII OPERATIONS AND MAINTENANCE

8.1 Operation and Administration. Operations, administration, and maintenance of NTEC shall be implemented in accordance with the O&O Agreement.

8.2 Accreditation.

8.2.1 Minnesota Power and South Shore shall comply with the Transmission Authority's requirements for NTEC to be accredited as a Capacity Resource for each Contract Year under this CDA ("Capacity Accreditation Requirements"), as such requirements are revised from time to time by the Transmission Authority. Current Capacity Accreditation Requirements are set forth in Module E of the MISO Tariff and MISO Business Practices Manual for Resource Adequacy. South Shore, in conjunction with Minnesota Power, shall take those steps necessary to satisfy the Capacity Accreditation Requirements to the full extent to ensure that the Dedicated Capacity is available to Minnesota Power as of the Commercial Operation Date.

(a) For each Contract Year of the CDA, South Shore shall comply with all the Transmission Authority's requirements to satisfy the Capacity Accreditation Requirements as a Capacity Resource to the full extent of the available South Shore's Share of NTEC.

(b) In the event that the Transmission Authority Capacity Accreditation Requirements, the MISO Tariff and/or the Transmission Authority's planning reserve procedures and requirements with respect to qualifying generation facilities as a Capacity Resource are changed, modified or revised such that the framework as contemplated in this Section cannot be implemented or cannot be implemented without an unanticipated Material Adverse Effect on one or both of the Parties, the Parties shall in good faith promptly amend or modify this Section to address such change(s), modification(s) or revision(s) in a manner consistent with the intentions of the Parties as originally set forth in this Section.

ARTICLE IX DEFAULT AND REMEDIES

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

9.1.1 Either Party's failure to make any payment to the other Party as required by this CDA, including invoices, damages, any required indemnification, or any other required payment, and such amount remains unpaid for a period of ten (10) Business Days after the date the defaulting Party receives Notice from the non-defaulting Party that the amount is overdue.

9.1.2 Either Party's application for, or consent (by admission of material allegations of a petition or otherwise) to, the appointment of a receiver, trustee or liquidator for a Party or for all or substantially all of its assets, or its authorization of such application or consent, or the commencement of any proceedings seeking such appointment against it without such authorization, consent or application, which proceedings continue undismissed or unstayed for a period of thirty (30) Days from its inception.

9.1.3 Either Party's inability to pay debts when due, authorization or filing of a voluntary petition in bankruptcy or application for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction or the institution of such proceedings against a Party without such authorization, application or consent, which proceedings remain undismissed or unstayed for thirty (30) Days from its inception or which result in adjudication of bankruptcy or insolvency within such time.

9.1.4 Any material representation or warranty made by a Party in this CDA that is proven to have been false in any material respect when made or ceases to remain true during the Term if such cessation would reasonably be expected to result in a Material Adverse Effect on the non-defaulting Party immediately upon its occurrence and without further notice from the non-defaulting Party and with no opportunity to cure.

9.1.5 South Shore's failure to achieve Commercial Operation more than one hundred eighty (180) Days after the Commercial Operation Milestone, ***provided, however, that*** if during such period South Shore provides a written opinion from a mutually-agreeable independent engineer that the Commercial Operation Date can reasonably be achieved within an additional one hundred eighty (180) Day period, then South Shore shall be allowed a total period not to exceed 360 Days after the Commercial Operation Milestone to achieve Commercial Operation.

9.1.6 Either Party's material and uncured breach of the Interconnection Agreement, any warranty agreement or any long-term services agreement, that has a Material Adverse Effect on Minnesota Power.

9.1.7 The failure by either Party to perform or observe any other material obligation to the other Party under this CDA, that is not excused by Force Majeure and such failure shall remain unremedied for thirty (30) Days after Notice thereof shall have been given by the non-defaulting Party.

9.2 Remedies. Upon the occurrence of any Event of Default, the non-defaulting Party may pursue all rights and remedies available to it at law and in accordance with the terms of this CDA. Except as explicitly provided to the contrary in this CDA, each right or remedy of the Parties provided for in this CDA shall be cumulative of and shall be in addition to every other right or remedy provided for in this CDA, and the exercise of one or more of the rights or remedies provided for herein shall not preclude the simultaneous or later exercise by such Party of any other rights or remedies provided for herein.

9.2.1 Termination and Damages. The Parties agree that any uncured Event of Default is deemed to be material and justifies termination at the discretion of the non-defaulting Party. For any uncured Event of Default, the non-defaulting Party may, at its option do any, some, or all of the following:

(a) Offset from any payments due from the non-defaulting Party any amount otherwise due, including any unpaid charges or Actual Damages;

(b) Seek Actual Damages in such amounts and on such basis for the default as authorized by this CDA;

(c) Terminate this CDA immediately upon Notice, without penalty or further obligation to the defaulting Party. Upon the termination of this CDA under this Section, the non-defaulting Party shall be entitled to receive from the defaulting Party, Actual Damages in connection with the Event of Default resulting in such termination.

9.2.2 Actual Damages. For all Events of Default arising after the Commercial Operation Date, the non-defaulting Party shall be entitled to receive from the defaulting Party all direct damages proximately caused by such Event of Default ("Actual Damages") incurred by the non-defaulting Party; ***provided, however, that*** if an Event of Default has occurred and has continued uncured for a period of 365 Days, the non-defaulting Party shall be required to either waive its right to collect further damages on account of such Event of Default, event or breach, or elect to terminate this CDA.

9.2.3 Specific Performance. In addition to the other remedies specified in this Article, in the event that any Event of Default of South Shore is not cured within the applicable cure period set forth herein, Minnesota Power may elect to treat this CDA as being in full force and effect and Minnesota Power shall have the right to specific performance. By way of example only, if the breach by South Shore arises from a failure by a third party operating NTEC pursuant to an operating agreement entered into with South Shore, and South Shore fails or refuses to enforce its rights under the operating agreement that would result in the cure, or partial cure, of the Event of Default, Minnesota Power's right to specific performance shall include the right to obtain an order compelling South Shore to enforce its rights under the operating agreement.

9.3 Limitation of Liability. The Parties confirm that the express remedies and measures of damages provided in this CDA satisfy the essential purposes hereof. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to Actual Damages only. Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary, special, equitable or indirect damages, lost profits or other business

interruption damages by statute, in tort or contract (except to the extent expressly provided herein); *provided, however, that* if either Party is held liable to a third party for such damages and the Party held liable for such damages is entitled to indemnification from the other Party hereto, the indemnifying Party shall be liable for, and obligated to reimburse the indemnified Party for, such damages.

9.4 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use Commercially Reasonable Efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of the CDA.

ARTICLE X FORCE MAJEURE

10.1 Applicability of Force Majeure. A Party shall be relieved of its obligations to perform this CDA and shall not be considered to be in default with respect to any obligation under this CDA if, and to the extent such Party is prevented from fulfilling such obligation by a Force Majeure Event, *provided, however, that*: (i) such Party gives prompt Notice describing the circumstances and impact of the Force Majeure Event; (ii) the relief from its obligations sought by such Party is of no greater scope and of no longer duration than is required by the Force Majeure; (iii) such Party proceeds with due diligence to overcome the Force Majeure and resume performance of its obligations under this CDA; and (iv) such Party provides Notice prior to the conclusion of the Force Majeure.

10.2 Limitations on Effect of Force Majeure.

10.2.1 Force Majeure shall only relieve a Party of such obligations as are actually precluded by the Force Majeure Event.

10.2.2 In no event will the existence of a Force Majeure Event extend this CDA beyond its stated Term.

10.2.3 If a Force Majeure Event affecting South Shore after the Commercial Operation Date continues for an uninterrupted period of 365 Days from its inception, Minnesota Power may, at any time following the end of such period, terminate this CDA upon Notice to South Shore, without further obligation by either Party except as to costs and balances incurred prior to the effective date of such termination.

10.3 Delays Attributable to Minnesota Power. South Shore shall be excused from performing its obligations under this CDA where South Shore can establish that such a failure was caused by (i) any delay or failure by Minnesota Power to perform its obligations under this CDA or as Construction Agent or Operating Agent under the NTEC Agreements, or (ii) any delay or failure by the Transmission Authority or the transmission owning entity that is party to the Interconnection Agreement to perform its obligations under the Interconnection Agreement, in each case whether or not caused by a Force Majeure Event.

ARTICLE XI REPRESENTATIONS AND WARRANTIES

11.1 General Representations and Warranties. Except for the requirements of Article 1 which the Parties will use their Commercially Reasonable Efforts to obtain, each Party hereby represents and warrants to the other as follows:

11.1.1 It is a valid separate legal entity, duly organized, validly existing and in good standing under Applicable Law.

11.1.2 It is qualified to do business in the State of its incorporation and each other jurisdiction where the failure to so qualify would have a Material Adverse Effect on the business or financial condition of the other Party.

11.1.3 It has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this CDA.

11.2 Specific Representations and Warranties. The Party's execution, delivery, and performance of all of its obligations under this CDA have been duly authorized by all necessary corporate action, and do not and will not:

11.2.1 require any consent or approval by any governing corporate or management body, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to the other Party upon its request);

11.2.2 violate any Applicable Law, or violate any provision in any formation documents, the violation of which could have a Material Adverse Effect on the representing Party's ability to perform its obligations under this CDA;

11.2.3 result in a breach or constitute a default under the representing Party's formation documents or bylaws, or under any agreement relating to its management or affairs or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which it is a party or by which it or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a Material Adverse Effect on the representing Party's ability to perform its obligations under this CDA; or

11.2.4 result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this CDA) upon or with respect to any of the assets or properties of the representing Party now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a Material Adverse Effect on the representing Party's ability to perform its obligations under this CDA.

11.3 Valid Obligations. This CDA is a valid and binding obligation of the representing Party.

11.4 No Conflict. The execution and performance of this CDA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which the

representing Party is a party or any judgment, order, or Applicable Law, applicable to it or its business.

11.5 Bankruptcy. Within the meaning of the United States bankruptcy code, (i) this CDA constitutes a "master netting agreement", (ii) all transactions pursuant to this CDA constitute "forward contracts", (iii) the representing Party is a "forward contract merchant" and "master netting agreement participant", and (iv) and all payments made or to be made pursuant to this CDA constitute "settlement payments."

11.6 Commodities. It is (i) an "eligible contract participant" as defined in Section 1a(18) of the Commodity Exchange Act, as amended, 7 U.S.C. § 1a(12), (ii) a "market participant" under applicable exchange and market rules; (iii) a producer, processor, or commercial user of, or a merchant handling, the commodity which is the subject of this CDA, or the products or by products thereof; and (iv) entering into this CDA solely for purposes related to its business as such.

11.7 Safe Harbor. This CDA grants each Party the contractual right to "cause the liquidation, termination or acceleration" of the transactions within the meaning of Section 556, 560 and 561 of the bankruptcy code, as they may be amended superseded or replaced from time to time. Upon a bankruptcy, a non-defaulting Party shall be entitled to exercise its rights and remedies under this CDA in accordance with the safe harbor provisions of the bankruptcy code set forth in, inter alia, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 548(d)(2), 556, 560 and 561, as they may be amended superseded or replaced from time to time.

ARTICLE XII INSURANCE

12.1 Insurance. Minnesota Power, as Operating Agent for the NTEC Owners, agrees to obtain and maintain in full force and effect during the term of this Agreement, with responsible insurers, appropriate insurance in amounts and with deductibles as provided for in the D&C Agreement and in the O&O Agreement. The cost of insurance shall be allocated to Minnesota Power's under this CDA shall equal Minnesota Power's proportionate share of NTEC (forty-eight percent (48%)).

12.2 Settlement of Claims. South Shore agrees not to accept or agree to any settlement of any material claim it may have against any of its insurers without the prior written consent of Minnesota Power, which consent shall not be unreasonably withheld or delayed.

12.3 Eminent Domain. If any of South Shore's properties shall be taken by or become subject to the exercise of the power of eminent domain, South Shore shall provide prompt Notice to Minnesota Power and afford it an opportunity to participate in any proceedings with respect thereto. South Shore shall not agree to the settlement of any such eminent domain proceeding without the prior written consent of Minnesota Power, which consent shall not be unreasonably withheld or delayed.

ARTICLE XIII INDEMNITY

13.1 Indemnification. Each Party (the "Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party, its successors and assigns (the "Indemnified Party")

from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including attorneys' fees) for personal injury or death to persons and damage to the Indemnified Party's real property and tangible personal property or facilities or the property of any other person or entity to the extent arising out of, resulting from, or caused by the (i) an Event of Default or other breach under this CDA, (ii) violation of Applicable Laws, (iii) negligent or tortious acts, errors, or omissions, or (iv) intentional acts or willful misconduct, of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents.

13.1.1 This indemnification obligation shall apply notwithstanding any negligent or intentional acts, errors or omissions of the Indemnified Party, but the Indemnifying Party's liability to indemnify the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party's negligent or intentional acts, errors or omissions caused the damages.

13.1.2 Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct.

13.1.3 These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

13.1.4 Nothing in this Section shall enlarge or relieve South Shore or Minnesota Power of any liability to the other for any breach of this CDA.

13.2 Notice of Claim. Promptly after receipt by a Party of any claim or notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article may apply, the Indemnified Party shall send Notice thereof to the Indemnifying Party. The Indemnifying Party shall assume the defense thereof with counsel designated by such Party and satisfactory to the Indemnified Party, *provided, however, that* if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party's expense, unless a liability insurer is willing to pay such costs.

13.3 Settlement of Claim. If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, *provided, however, that* settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party's counsel that such claim is meritorious or warrants settlement.

13.4 Amounts Owed. Except as otherwise provided in this Article, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's actual loss net of any insurance proceeds received by the Indemnified Party

following a Commercially Reasonable effort by the Indemnified Party to obtain such insurance proceeds.

ARTICLE XIV DISPUTE RESOLUTION

14.1 Dispute Resolution. In the event of a dispute between the Parties arising out of the performance or non-performance of this Agreement, the Parties will in good faith negotiate to resolve such dispute. If the Parties are unable to resolve the dispute through such good faith negotiations within a reasonable amount of time, then the dispute shall be subject to the dispute resolution procedures set forth herein.

14.2 Arbitration. Any controversy or claim arising out of or relating to this Agreement or the breach of any part thereof, or appeal from action of one of the Parties to this Agreement, which is not resolved through good faith negotiations between the Parties, shall be settled by arbitration, in accordance with the following procedures.

14.2.1 Arbitration Rules. Such arbitration shall be conducted before a panel of three arbitrators in accordance with the Institute for Conflict Prevention and Resolution Rules for Non-Administered Arbitration (the "CPR Institute") in effect on the Effective Date.

14.2.2 Notice. The Party desiring arbitration shall demand such arbitration by giving written notice to the other Party involved. Such notice shall set forth in detail the aspects of the dispute to be arbitrated, including a detailed statement of the facts and circumstances giving rise to the dispute and the Party's position as to the appropriate resolution.

14.2.3 Arbitrators; Conduct of Proceedings. If within thirty (30) days after delivery of the Notice to arbitrate (or such longer period as the Parties may agree to), the Parties are unable to agree upon and appoint three arbitrators, then within fifteen (15) days the Party that submitted the Dispute to arbitration shall appoint one arbitrator and the other Party shall appoint one arbitrator, and no later than sixty (60) days after the delivery of the notice to arbitrate the two Party-chosen arbitrators shall appoint the third arbitrator. If for any reason three arbitrators shall not have been appointed by the date that is sixty (60) days after delivery of the Notice to arbitrate (or such later date as the Parties may agree upon), the CPR Institute shall appoint a number of arbitrators meeting such qualifications needed, in addition to the number of arbitrators the Parties were able to agree upon or appoint within such sixty (60) day period, to establish a panel of three arbitrators. Each arbitrator shall have at least ten (10) years' experience in the United States in the legal profession and the electric utility industry, and shall not be a past or present officer, director, employee, attorney or consultant of, or have any material interest in, any Party or any Affiliate of any Party. The Parties shall be entitled to reasonable discovery prior to the arbitration hearing, and the arbitrators shall have the power upon application of any Party to make all appropriate orders for discovery from the other Parties, including discovery of documents, responses to interrogatories, and depositions. The scope, time and manner of discovery, including depositions, interrogatories and document discovery, shall be in accordance with the U.S. Federal Rules of Civil Procedure.

14.2.4 Authority of Arbitrators. The arbitrator shall have no authority, power or jurisdiction to alter, amend, change, modify, add to or subtract from any of the provisions of this

Agreement, nor to consider any issues arising other than from the language in and authority derived from this Agreement. The arbitrators are not empowered to award damages of a type or in excess of the damages permitted pursuant to this Agreement, but may provide equitable or other relief to the extent permitted under this Agreement, in either case as interpreted under Applicable Law.

14.2.5 Decision or Award. The arbitrators shall render their decision upon the concurrence of at least two (2) of their number, as soon as possible but no later than thirty (30) Days after the conclusion of all hearings. The decision and award shall be in writing, and shall set forth the findings of fact and analysis and conclusions of law relied on by the arbitrators in rendering their decision. Counterpart copies of the decision shall be delivered to each of the Parties. The decision or award of the arbitrator shall be final and binding upon the Parties and the Parties shall do such acts as the arbitration decision or award may require of them. Judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction and execution issued thereon. This provision shall survive the termination of this Agreement.

14.2.6 Costs. Cost of the arbitration shall be shared equally unless the award shall specify a different division of cost.

ARTICLE XV ASSIGNMENT AND TRANSFER

15.1 Assignment. Except as permitted in this Section, neither Party shall assign this CDA or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; *provided, however, that* (i) at least thirty (30) Days prior Notice of any proposed assignment requiring consent shall be given to the other Party; (ii) any assignee shall expressly assume the assignor's obligations under this CDA unless otherwise agreed by the other Party, (iii) no assignment shall relieve the assignor of its obligations under this CDA in the event the assignee fails to perform, unless the other Party waives in writing the assignor's continuing obligations under this CDA; and (iv) before this CDA is assigned by South Shore, the assignee must first obtain such approvals as may be required by all applicable Governmental Authorities. South Shore's consent shall not be required for Minnesota Power to assign this CDA to an Affiliate of Minnesota Power.

15.2 Options.

15.2.1 Notwithstanding any other provision in this CDA, Minnesota Power retains the right to transfer this Agreement to an Affiliate of Minnesota Power without restriction upon Notice to South Shore. The Parties recognize that under Applicable Laws as of the Effective Date, Minnesota Power would require MPUC Approval and approval of FERC for such a consolidation.

15.2.2 Notwithstanding any other provision in this CDA, Minnesota Power has the right to consolidate South Shore into Minnesota Power (or any successor entity that provides retail electric service to substantially all of Minnesota Power's retail service territory) and absorb ownership of the Dedicated Capacity into Minnesota Power on the same basis as other assets held by the utility. The Parties recognize that under Applicable Laws as of the Effective Date

Minnesota Power would require MPUC Approval and approval of FERC for such a consolidation.

15.2.3 Notwithstanding any other provision of this CDA, South Shore hereby grants Minnesota Power the option to purchase the Dedicated Capacity at any time during the Term at a price equal to the undepreciated net book value (calculated according to generally-accepted accounting principles) of the Dedicated Capacity (as a straight line percentage of the undepreciated book value of NTEC). The Parties recognize that under Applicable Laws as of the Effective Date, Minnesota Power would require MPUC Approval and approval of FERC for such a consolidation.

15.3 Subcontracting. South Shore may subcontract its duties or obligations under this CDA without the prior written consent of Minnesota Power, *provided, however, that* no such subcontract shall relieve South Shore of any of its duties or obligations hereunder.

ARTICLE XVI MISCELLANEOUS

16.1 Preambles and Recitals. The preambles and recitals set forth in this CDA constitute integral parts of the Agreement and are restated as if set forth herein as integral terms of this CDA.

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

16.3 Interpretation.

16.3.1 The following rules of interpretation shall apply: (1) The masculine shall include the feminine and neuter; (2) references to "Articles," "Sections," or "Exhibits" shall be to articles, sections, or exhibits of this CDA except as the context may otherwise require; (3) all Exhibits are incorporated into this CDA; provided, however, that in the event of a conflict with the terms of this CDA, the CDA shall control; and (4) use of the words "include" or "including" or similar words shall be interpreted as "include without limitation" or "including, without limitation."

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

16.3.3 This CDA does not provide South Shore authorization to interconnect NTEC or inject power into the electric delivery system. South Shore shall contract for interconnection services in accordance with the MISO Tariff. The Parties acknowledge that any Interconnection Agreement for NTEC is a separate contract applicable to NTEC and not just the Dedicated Capacity, and that (i) this CDA is not binding on the Transmission Authority, (ii) this

CDA does not create any rights between South Shore and the Transmission Authority, and (iii) the Interconnection Agreement does not modify the Parties' rights and obligations under this CDA.

16.3.4 This CDA does not provide for the supply of House Power to NTEC. To the extent allowed by Applicable Law, South Shore shall obtain House Power by self-generating and netting such self-generation from the Energy provided to Minnesota Power, *provided that*, if Applicable Law does not allow netting of House Power, South Shore shall be responsible to contract with the local provider for the supply of House Power. South Shore acknowledges that obtaining House Power is a separate contract and that (i) this CDA is not binding on the local provider, (ii) this CDA does not create any rights between South Shore and the local provider, and (iii) the House Power contract does not modify the Parties' rights and obligations under this CDA.

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

16.5 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this CDA, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

16.6 Notices. Notices required by this CDA shall be in writing and addressed to the other Party at the addresses noted in Exhibit E – Notices and Contact Information as either Party updates them from time to time by Notice to the other Party. Notices shall either be hand delivered or mailed, postage prepaid. If mailed, Notices shall be simultaneously sent by facsimile or other electronic means. Any Notice shall be deemed to have been received by the close of the Business Day on which it was hand delivered or transmitted electronically (unless hand delivered or transmitted after the close of the Business Day, in which case it shall be deemed received at the close of the next Business Day). Real-time or routine communications concerning NTEC operations shall be exempt from this Section.

16.7 Taxes, Emissions and Change of Law.

16.7.1 Minnesota Power, as Operating Agent for the NTEC Owners, shall be responsible for any and all present or future taxes and other impositions of Governmental Authorities relating to the construction, ownership or leasing, operation or maintenance of NTEC, or any components or appurtenances thereof, any sales or *ad valorem* taxes relating to NTEC, or any taxes on the products and services generated by South Shore, sold and delivered to Minnesota Power at the Point of Delivery. South Shore's prices under Article 5 shall include Minnesota Power's proportionate share of such taxes, calculated as a percentage of the energy of NTEC based on the proportion of the Dedicated Capacity to South Shore's Share of NTEC.

16.7.2 The Parties shall cooperate to minimize and mitigate tax exposure, *provided, however, that* neither Party shall be obligated to incur any financial burden to reduce taxes for which the other Party is responsible hereunder. All electric energy delivered by South Shore to Minnesota Power hereunder shall be sales for resale, with Minnesota Power reselling such electric energy. Minnesota Power shall obtain and provide South Shore with any certificates required by any Governmental Authority, or otherwise reasonably requested by South Shore to evidence that the deliveries of electric energy hereunder are sales for resale.

16.7.3 Notwithstanding Section 16.7.1, Minnesota Power shall be solely responsible for the payment of any taxes and other impositions enacted or promulgated by Governmental Authorities after the Effective Date, that are assessed based upon the quantity of carbon dioxide emissions produced from the combustion of fuel by NTEC to produce Energy or Test Energy associated with the Dedicated Capacity during the Term of this CDA.

(a) If (i) following the Effective Date of this CDA, Applicable Law imposes any enforceable limits or other enforceable compliance obligations related to carbon dioxide emissions produced from the combustion of fuel by NTEC to produce Energy or Test Energy, and (ii) the limits or obligations are not imposed on a facility-specific basis, and (iii) such limits or obligations can be mitigated by the acquisition or application by Minnesota Power of allowances, credits and/or eligible offsets, then, (a) Minnesota Power shall be responsible for compliance with the limits or compliance obligations from NTEC in its generation portfolio, and (b) Minnesota Power shall be solely responsible for the acquisition costs, application and management of such allowances, credits and/or offsets necessary to mitigate carbon dioxide emissions produced from the combustion of fuel by NTEC to produce Energy or Test Energy associated with the Dedicated Capacity.

(b) Nothing herein shall relieve South Shore of its obligation to comply, at its sole cost, with Applicable Law or any Permit (including any emission limit or standard relating to carbon dioxide) imposed specifically on NTEC.

16.8 Applicable Laws. Each Party shall at all times comply with all Applicable Laws, except for any non-compliance that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder.

16.8.1 As applicable, each Party shall give all required notices, shall procure and maintain all necessary governmental permits, licenses, and inspections necessary for performance of this CDA, and shall pay its respective charges and fees in connection therewith.

16.8.2 Each Party shall promptly disclose to the other, any violation of any Applicable Laws arising out of or in connection with NTEC and this CDA.

16.8.3 Upon permanent cessation of generation from NTEC, South Shore shall decommission NTEC, remove NTEC and remediate the Site as, if and when required by Applicable Laws, all at the expense of Minnesota Power as to the proportionate share of such expenses calculated as a percentage of Dedicated Capacity to South Shore's Share of NTEC.

16.9 Rate Changes.

16.9.1 The terms and conditions and the rates for service specified in this CDA shall remain in effect for the term of the transaction described herein. Absent the Parties' written agreement, this CDA shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act.

16.9.2 Absent the agreement of all Parties to the proposed change, this CDA shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act. Absent the agreement of both Parties to the proposed change, the standard of review for changes to this CDA whether proposed by a Party, a non-party, or FERC acting *sua sponte* shall be the "public interest" standard of review set forth in United Gas Pipe Line v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the Mobile-Sierra doctrine), as interpreted and applied by the Supreme Court of the United States in subsequent cases.

16.10 Disclaimer of Third Party Beneficiary Rights. In executing this CDA, Minnesota Power does not and does not intend to extend its credit or financial support for the benefit of any third parties, or lending money to or having other transactions with South Shore. Nothing in this CDA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this CDA.

16.11 Equal Employment Opportunity Compliance Certification. South Shore acknowledges that as a government contractor Minnesota Power is subject to Applicable Laws regarding equal employment opportunity and affirmative action. Such Applicable Laws may also be applicable to South Shore as a subcontractor to Minnesota Power. All such Applicable Laws shall be deemed to be incorporated herein as required by Applicable Law, including 41 C.F.R. §60-1.4(a)(1-7).

16.12 Survival of Obligations. Cancellation, expiration, or earlier termination of this CDA shall not relieve the Parties of obligations, including warranties, remedies, or indemnities, that by their nature should survive such cancellation, expiration, or termination, which obligations shall survive for the period of the applicable statute(s) of limitation.

16.13 Severability. In the event any of the terms, covenants, or conditions of this CDA, its Exhibits, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of the CDA and their application not adversely affected thereby shall remain in force and effect; *provided, however, that* Minnesota Power and South Shore shall negotiate in good faith to attempt to implement an equitable adjustment in the provisions of this CDA with a view toward effecting the purposes of this CDA by replacing the provision that is held invalid, illegal, or unenforceable with a valid provision the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, illegal or unenforceable.

16.14 Complete Agreement; Amendments. The terms and provisions contained in this CDA constitute the entire agreement between Minnesota Power and South Shore with respect to NTEC and shall supersede all previous communications, representations, or agreements, either verbal or written, between Minnesota Power and South Shore with respect to the sale of any

output from NTEC. This CDA, including Exhibits, may be amended, changed, modified, or altered in accordance with the terms of this CDA, *provided, however, that* such amendment, change, modification, or alteration shall be in writing.

16.15 Binding Effect. This CDA is binding upon and shall inure to the benefit of the Parties hereto and their respective successors, legal representatives, and assigns.

16.16 Headings. Captions and headings used in this CDA are for ease of reference only and do not constitute a part of this CDA.

16.17 Counterparts. This CDA may be executed in counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

16.18 Governing Law. The interpretation and performance of this CDA and each of its provisions shall be governed and construed in accordance with the laws of the State of Minnesota, exclusive of conflict of laws principles. The Parties submit to the exclusive jurisdiction of the state courts of the State of Minnesota, and venue is hereby stipulated as Duluth, Minnesota, or such other city as mutually agreed to by the Parties.

16.19 Exhibits. Either Party may change the information in Exhibit E – Notices and Contact Information at any time by Notice without the approval of the other Party. All other Exhibits may be changed to the extent allowed by specific provisions of this CDA or with the mutual consent of both Parties.

16.20 Confidentiality.

16.20.1 This CDA and all appendices and amendments hereto are intended to be treated as Confidential Information, *provided, however, that* South Shore hereby irrevocably agrees that Minnesota Power may, at its sole discretion and without prior notice to South Shore, provide such documents to any Governmental Authorities, their staffs or in connection with any regulatory proceeding, including regulatory filings and responses to discovery requests, on a public basis, without redactions, and without South Shore's consent. Minnesota Power shall have no responsibility for any public dissemination that occurs as a result of such disclosure.

16.20.2 The Parties acknowledge and agree that during the course of the performance of their respective obligations under this CDA, either Party may need to provide information to the other Party, which the disclosing party deems confidential, proprietary or a trade secret ("Confidential Information").

(a) Confidential Information shall include all documentation and data, including special techniques, methods, computer programs and software that the disclosing Party considers proprietary or trade secret and furnishes to the receiving Party. Such materials may be designated as Confidential Information by clear and distinct notation on such documentation or by equivalent method, and shall be treated as such by the receiving Party. Documentation and data not so designated need not be considered by the receiving Party to be proprietary or trade secret; *provided, however, that* any and all data and documentation regarding NTEC output, performance, outages and similar operational information shall be considered Confidential Information without the need for further designation if any disclosure thereof would be in a form

or by a means that associates such data or documentation with NTEC or South Shore or any of its Affiliates, or from which a reasonable person could make such an association. The disclosing Party hereby grants to the receiving Party authority to use Confidential Information for the purposes of this CDA, including keeping electronic copies of such Confidential Information. The receiving Party agrees to keep such Confidential Information confidential, except as set forth in this Section, to use it for work necessary to the performance of this CDA, and not to sell, transfer, sublicense, disclose or otherwise make available any such Confidential Information to others; *provided, however, that* Confidential Information may be disclosed by the receiving Party to the agents, employees, advisors, consultants, or potential or actual debt or equity investors of the receiving Party, subject to their acceptance of the obligations of confidentiality imposed hereby and for whose violations of this requirement of confidentiality the receiving Party shall be responsible.

(b) Confidential Information shall not include any data or information:

(i) Which can be documented was in the public domain as allowed by this Section, or through no fault or action of the receiving Party at the time it was disclosed by the disclosing Party to the receiving Party or at any time thereafter;

(ii) Which can be documented was independently developed by the receiving Party;

(iii) Which can be documented was known to the receiving Party from an ultimate source other than the disclosing Party without breach of this CDA by the receiving Party;

(iv) Which is disclosed by a Party, in connection with such Party's performance of its obligations under this CDA, to its consultants or contractors or other third parties who are in turn subject to a confidentiality agreement with the disclosing Party to treat the information at least with the care required by this CDA; or

(v) Which is legally requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process or, in the opinion of its counsel, by Applicable Laws) to be disclosed, *provided, however, that* the Party requested or required to make a disclosure shall provide prompt Notice to the non-disclosing Party within five (5) Days of such request or requirement and prior to disclosure so that the non-disclosing Party may seek an appropriate protective order and/or waive compliance with the terms of this Section.

[remainder of this page intentionally left blank]

[signatures follow next page]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized representative.

MINNESOTA POWER, an operating division of ALLETE, Inc.

Bradley W. Oachs

By: Bradley W. Oachs
Its: President-Regulated Operations

SOUTH SHORE ENERGY. LLC

A. Hodnik

By: Alan R. Hodnik
Its: Chief Executive Officer

[remainder of this page intentionally left blank]

EXHIBIT A
DEFINITIONS

"Accredited Capacity" means the net generating capability of NTEC as determined by the most recent test that satisfies the Capacity Accreditation Requirements as set forth in Section 8.2.

"Actual Damages" has the meaning set forth in Section 9.2.2 of this Agreement.

"Affiliate" means any person or entity that directly or indirectly controls, is under the control of, or is under common control with, the named entity by the power to direct or cause the direction of the management of the policies of named entity, whether through ownership interest, by contract or otherwise.

"AGC" or "Automatic Generation Control" means the equipment and capability of an electric generation facility to automatically adjust the generation quantity within the applicable Balancing Authority with the purpose of interchange balancing and specifically, NTEC's capability of accepting AGC set-point electronically and automatically adjusting and regulating NTEC's energy production via NTEC's SCADA system.

"Agreement" or "CDA" means this Agreement, as amended from time to time.

"Ancillary Services" means those ancillary services defined under the MISO Tariff as well as those other services and products that may be included under the MISO Tariff from time to time, which are associated, directly or indirectly, with NTEC or the transmission of energy from NTEC.

"Annual Capacity Cost" has the meaning given in Section 6.1.1.

"Applicable Law" means all laws, statutes, treaties, codes, ordinances, regulations, certificates, orders, licenses and permits of any Governmental Authority that are applicable to a Party, the business of a Party or NTEC, now in effect or hereafter enacted, amendments to or interpretations of any of the foregoing by a Governmental Authority having jurisdiction, and all applicable judicial, administrative, arbitration and regulatory decrees, judgments, injunctions, writs, orders, awards or like actions.

"Applicable True-Up Payment" has the meaning given in Section 6.1.3.

"Assignment Agreements" has the meaning set forth in the Recitals of this Agreement.

"Back-Up Metering" has the meaning set forth in Section 4.2.2.

"Balancing Authority" means the system of electrical generation, distribution and transmission facilities within which generation is regulated in order to maintain interchange schedules with other such systems.

"Baseline Capacity" means the total expected power output of NTEC as of the Commercial Operation Date and throughout the Term (expressed in kW or MW) as determined in writing by the NTEC Owners' registered professional engineer, based upon an engineering

analysis conducted in accordance with Good Utility Practices utilizing the final chosen equipment configuration from the selected original equipment manufacturers, which is currently anticipated to be approximately 525 MW to 550 MW.

"Business Day" means any Day that is not a Saturday, a Sunday, or a NERC recognized holiday.

"Capacity Accreditation Requirements" has the meaning set forth in Section 8.2.1.

"Capacity Resource" means the amount of net generating capacity associated with NTEC which meet the Capacity Accreditation Requirements. In MISO, "Capacity Resource" refers to the "Zonal Resource Credits" associated with NTEC.

"Capital Cost Cap" has the meaning set forth in Section 6.1.1 of this Agreement.

"Commercial Operation" means that NTEC has successfully satisfied all of the requirements for Commercial Operation set forth in Section 3.5 of this CDA.

"Commercial Operation Date" means 12:00 a.m. local prevailing time on the date following the date upon which South Shore achieves Commercial Operation, or such other date as is mutually agreed upon by the Parties.

"Commercial Operation Milestone" means a date mutually agreed upon by the Parties and that the Parties have set no less than twenty-four (24) months prior to such milestone.

"Commercially Reasonable" or "Commercially Reasonable Efforts" means, with respect to any action required to be made, attempted or taken by a Party under this CDA, the level of effort in light of the facts known to such Party at the time a decision is made that: (a) can reasonably be expected to accomplish the desired action at a reasonable cost; (b) is consistent with Good Utility Practices; and (c) takes into consideration the amount of advance notice required to take such action, the duration and type of action and the competitive environment in which such action occurs.

"Conditions Precedent" has the meaning set forth in Section 1.1.

"Confidential Information" has the meaning set forth in Section 16.20.2.

"Construction Agent" has the meaning set forth in the D&C Agreement, and shall initially be South Shore and is contemplated to be replaced by Minnesota Power upon Commission approval of the Assignment Agreements.

"Contract Year" means the twelve-month (12) period, commencing on the Commercial Operation Date.

"Cost of Capital" or "Cost of Capital (Transmission)" of the investment for purposes of determining the Monthly Payment under Section 6.1 of this CDA, shall be equal to the then-authorized capital structure and cost of capital applicable to Minnesota Power-owned assets as allowed by the MPUC in Minnesota Power's then-most-recent rate case.

"CPR Institute" has the meaning given in Section 14.2.1.

"Dairyland" has the meaning set forth in the Recitals of this Agreement.

"Day" means a calendar day.

"Day-Ahead Energy and Operating Reserve Market" has the meaning set forth in the MISO Tariff.

"Decommissioning" means the retirement from service of NTEC and associated facilities, including, but not limited to, decommissioning, dismantling, demolishing, disposing of, closing or removing NTEC and associated facilities, and the monitoring, security and maintenance associated with the retirement from service and decommissioning of NTEC and associated facilities.

"Decommissioning Costs" means any and all costs and expenses associated with Decommissioning NTEC.

"Dedicated Capacity" means an undivided forty-eight percent (48%) (approximately 250 MW) of NTEC's Baseline Capacity and an equivalent undivided 48 percent (48%) of all other attributes of NTEC, including but not limited to Accredited Capacity, Ancillary Services, Other Attributes, associated Network Resource Interconnection Service, and associated costs and liabilities.

"Definitive Planning Phase" has the meaning set forth in the MISO Tariff.

"Depreciation" or "Depreciation (Transmission)" of the investment for purposes of determining the Monthly Payment under Section 6.1 of this CDA, shall be equal to the then-authorized amount of depreciation expense over the 40-year Term of this CDA or such other period as may be consistent with Generally Accepted Accounting Principles.

"Development and Construction Agreement" or "D&C Agreement" has the meaning set forth in the Recitals of this Agreement.

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

"Electric Metering Devices" means revenue quality meters, metering equipment and data processing equipment used to measure, record or transmit data relating to the output from NTEC, including the metering current transformers and the metering voltage transformers.

"Emergency" means any event or occurrence after the date of this CDA that results in the declaration of an Emergency Condition under and as defined in the Interconnection Agreement.

"Energy" means the electrical energy produced by the Accredited Capacity. It shall be expressed in kilowatt-hours (kWh) or megawatt-hours (MWh).

"Environmental Attributes" means any and all aspects, claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, associated with or related to

the generation of or capacity to generate a quantity of energy from NTEC by virtue of or due to NTEC's environmental characteristics or attributes, including without limitation Emission Allowances, any and all environmental air quality credits, emissions reduction credits, off-sets, emission allowances, or other benefits under any voluntary compliance or trading program or any federal, state or local statute or regulation, whether in existence as of the Effective Date or as may be created or come into existence in the future, including, without limitation any emission reduction credits or mass emission allowances resulting from the implementation of requirements arising out of the federal Clean Air Act, 42 U.S.C. §7401 *et seq*.

"Event of Default" has the meaning set forth in Article 9.

"FERC" means the Federal Energy Regulatory Commission or any Governmental Authority which may succeed to its responsibilities and functions.

"Force Majeure" or "Force Majeure Event" means, with respect to a Party, a circumstance or event beyond the reasonable control of, and without the fault or negligence of, the applicable Party, including, without limitation, an Emergency, act of God, flood, earthquake, hurricane, or tornado and the like; sabotage; vandalism beyond that which could reasonably be anticipated and prevented by such Party; terrorism; war; riot; fire; explosion; blockade; insurrection; strike, slow down or labor disruption (even if such could be resolved by conceding to the demands of a labor group); and action or failure to take action by any Governmental Authority after the Effective Date (including, without limitation, the adoption or change in any Applicable Law) but only if such action or failure to take action prevent or delay performance; and the inability, despite due diligence, to obtain any licenses, permits, or approvals required by any Governmental Authority.

"GAAP" means the "Generally Accepted Accounting Principles," which are the standards established and administered by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board and are generally applicable for accounting for public companies.

"Good Utility Practices" means the practices, methods, standards and acts engaged in or approved by a significant portion of the applicable segment of the electric power generation industry pertaining to facilities of the type, similar size and location to NTEC that, at a particular time, in the exercise of Commercially Reasonable judgment, in light of the facts that are known, or reasonably should have been known, at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with Applicable Law, Permits, codes, standards, equipment manufacturer's recommendations, reliability, safety, environmental protection, economy, and expedition. Good Utility Practices is not limited to the optimum practice, method, standard or act to the exclusion of all others, but rather to those practices, methods, standards and acts generally acceptable or approved by a significant portion of the applicable segment of the electric power generation industry in the relevant region, during the relevant period.

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial,

legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

"House Power" means retail power to NTEC, for purposes of unit start-up or shut-down, or for any other purpose.

"Indemnified Party" has the meaning set forth in Section 13.1.

"Indemnifying Party" has the meaning set forth in Section 13.1.

"Interconnection Agreement" means the separate agreement for interconnection of NTEC to the Transmission Authority's System, as such agreement may be amended from time to time. For purposes of this CDA, the Interconnection Agreement shall be interpreted to include any third-party facility construction agreement or other agreement required by the Transmission Authority to interconnect NTEC in accordance with the MISO Tariff.

"Interconnection Facilities" means those facilities designated in the Interconnection Agreement for the direct purpose of interconnecting NTEC at the Interconnection Point, along with any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities, whether owned by the NTEC Owners, the Transmission Authority or another entity. This equipment is conceptually depicted in Exhibit B – NTEC Description and Site Maps to this CDA. For the avoidance of doubt, these do not include Network Upgrades as set forth in the Interconnection Agreement.

"Interconnection Point" means the physical point within the operational authority of Transmission Authority as specified in the Interconnection Agreement, at which electrical interconnection is made between NTEC and the Transmission Authority's System in accordance with the MISO Tariff and the Interconnection Agreement.

"Interconnection Facilities Study for Network Upgrades" or "NUFS" means the interconnection study conducted under the MISO Tariff to determine the Network Upgrades required to interconnect a generating facility to the regional transmission system.

"kW" means kilowatt.

"kWh" means kilowatt-hour.

"Market" or "Markets" means (i) the Day-Ahead Energy and Operating Reserve Market and the Real-Time Energy and Operating Reserve Market implemented by the MISO Tariff; or (ii) any successor centrally-operated structure or structures bringing together buyers and sellers to facilitate the exchange of wholesale electricity products and/or Ancillary Services; or (iii) any wholesale purchase and sale of electricity products and/or related services on a bilateral basis.

"Market Operations Account" has the meaning ascribed to that term as set forth in the O&O Agreement.

"Market Operations Costs" has the meaning set forth in Section 6.2.2 hereof.

"Market Participant" has the meaning set forth in the MISO Tariff.

"Material Adverse Effect" means any effect (or effects taken together) that is materially adverse to the present or future business, operations, assets, liabilities, properties, results in operations or condition (financial or otherwise), prospects, or property of a Party, its business, or this CDA.

"Minnesota Power" has the meaning set forth in the preamble to this Agreement.

"MISO" means the Midcontinent Independent System Operator, Inc., or its successor, and includes any other regional transmission organization with which NTEC is interconnected during the Term of this CDA.

"MISO Business Practices Manual" means the written business practices published from time to time by MISO describing implementation of the MISO Tariff.

"MISO Costs" means all costs imposed by MISO associated with the sales of Energy, Ancillary Services or Other Project Products in the MISO Market as further described in the O&O Agreement.

"MISO Revenues" means all revenues generated by sales of Energy, Ancillary Services or Other Project Products in the MISO Market as further described in the O&O Agreement.

"MISO Tariff" means the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff and rate schedules, as may be amended from time to time.

"Monthly Capacity Cost" has the meaning given in Section 6.1.1.

"Monthly Capacity Payment" has the meaning set forth in Section 6.1.1.

"Monthly Charges" has the meaning set forth in Section 6.1.

"Monthly Network Upgrade Cost" has the meaning given in Section 6.1.2.

"Monthly Network Upgrade Payment" has the meaning set forth in Section 6.1.2.

"MPUC" means the Minnesota Public Utilities Commission, and any successor agency thereof.

"MPUC Approval" means a final, non-appealable written order of the MPUC making the affirmative determination that Minnesota Power's execution of this CDA is reasonable, in the public interest, and all costs incurred under this CDA are recoverable from the retail customers pursuant to Applicable Law, subject only to the requirement that the MPUC retains ongoing prudency review of Minnesota Power's performance and administration of this CDA.

"MW" means megawatt or one thousand kW.

"MWh" means megawatt hours.

"NERC" means the North American Electric Reliability Corporation.

"Network Resource" has the meaning set forth in the MISO Tariff.

"Network Resource Interconnection Service" or "NRIS" has the meaning set forth in the MISO Tariff.

"Network Upgrade Cost Cap" has the meaning set forth in Section 6.1.2 of this Agreement.

"Network Upgrade Investment for Monthly Network Upgrade Cost" has the meaning given in Section 6.1.2.

"Network Upgrades" means the upgrades to any transmission facilities on the regional transmission system identified in the studies required pursuant to the MISO Tariff that are necessary to designate NTEC as a Network Resource to the full extent of the Baseline Capacity. For the avoidance of doubt, these do not include Interconnection Facilities as specified in the Interconnection Agreement.

"NTEC" means the natural-gas, combined-cycle power plant to be located in Superior, Wisconsin, commonly referred to as the Nemadji Trail Energy Center, consisting of one combustion turbine, one steam turbine and one heat recovery steam generator, together with the electric transmission, substation and communication facilities used in connection with the operation of such plant, and all other ancillary facilities, improvements, buildings and other structures related to such plant and located on the Site. The Parties anticipate that NTEC will have Accredited Capacity of approximately 525 MW to 550 MW, which will be finalized upon selection of primary generating equipment comprising the plant.

"NTEC Agreements" has the meaning set forth in the Recitals of this Agreement.

"NTEC Owners" has the meaning set forth in the Recitals of this Agreement.

"Notice(s)" has the meaning set forth in Section 16.6.

"Operating Agent" has the meaning set forth in the O&O Agreement, and shall initially be South Shore and is contemplated to be replaced by Minnesota Power upon Commission approval of the Assignment Agreements.

"Operating Agreement" or "O&O Agreement" has the meaning set forth in the Recitals of this Agreement.

"Other Attributes" means any and all aspects, claims, credits, benefits, and allowances, howsoever entitled, including any federal, state or local tax incentives, existing now or in the future associated with the construction, ownership or operation of NTEC, attributable to or allocated to NTEC, other than Capacity, Energy, Ancillary Services and Environmental Attributes.

"Other Project Products" means any and all products and byproducts generated by or created in connection with the operation of NTEC, other than Capacity, Energy, Ancillary Services, Environmental Attributes and Other Attributes.

"Overall Cap" means the sum of the Capital Cost Cap and the Network Upgrade Cost Cap.

"Party" or "Parties" has the meaning set forth in the preamble to this Agreement.

"Permit(s)" means all applicable construction, land use, air quality, emissions control, environmental and other permits, licenses and approvals from any Governmental Authority required under Applicable Laws for construction, ownership, operation and maintenance of NTEC and the generation and delivery of any output from NTEC to Minnesota Power.

"Plant Closure Date" has the meaning set forth in Section 2.2 of this Agreement.

"Point of Delivery" means the physical point within the operational authority of Transmission Authority at which South Shore makes available to Minnesota Power and delivers to Minnesota Power the Dedicated Capacity being provided by South Shore to Minnesota Power under this CDA. Under this CDA, the Point of Delivery shall be the same physical location as the Interconnection Point.

"Project Costs" has the meaning given in Section 6.2.1.

"Project Investment Related to Capacity Charges" has the meaning given in Section 6.1.1.

"Real-Time Energy and Operating Reserve Market" means the Market for purchases and sales of Energy and Operating Reserve conducted by the Transmission Authority during the Operating Day, each as defined in and in accordance with the MISO Tariff.

"SCADA" means supervisory control and data acquisition.

"Site" means the site of NTEC in Superior, Wisconsin, as more fully described in Section 3.1.2 hereof.

"South Shore" has the meaning set forth in the preamble to this Agreement.

"South Shore's Share of NTEC" means South Shore's undivided fifty percent (50%) ownership of NTEC as tenants in common with Dairyland.

"State or Local Taxes" means the amount of any state or local taxes which are assessed by any State or any agencies or subdivisions thereof arising out of or on behalf of NTEC, including but not limited to, personal property taxes, ad valorem taxes, local taxes, fees or assessments of any nature, or gross receipts taxes on the sale of electricity for resale or other revenue.

"Successful Start" means the start and operation of NTEC that: (i) achieves the target loading level for the requested operating configuration within ninety (90) minutes after the requested turbine start began, and (ii) upon achieving the target loading level, generates

Authority's System at or above such target loading level without experiencing any abnormal operating conditions.

"Term" means the period of time during which this CDA shall remain in full force and effect as further defined in Article 2.

"Test Energy" means that energy which is produced by NTEC, delivered to Minnesota Power at the Point of Delivery, and purchased by Minnesota Power, pursuant to Sections 3.6, in order to perform testing of NTEC.

"Total Capital Investment" means South Shore's total investment in NTEC (including financing costs and capitalized interest in such investment, but excluding Total Network Upgrade Investment) which for purposes of determining the Monthly Payment for the first Contract Year is estimated to be **[TRADE SECRET DATA BEGINS…**
…TRADE SECRET DATA ENDS] (including financing costs) in 2025 dollars with escalation, subject to revision, of which Minnesota Power shall be responsible for the share equal to the Dedicated Capacity, and true-up as allowed by this CDA as of the first anniversary of the Commercial Operation Date.

"Total Network Upgrade Investment" means South Shore's total investment in Network Upgrades (including capitalized interest) which for purposes of determining the Monthly Payment for the first Contract Year is estimated to be **[TRADE SECRET DATA BEGINS…**
…TRADE SECRET DATA ENDS] (including financing costs) in 2025 dollars with escalation, subject to revision, of which Minnesota Power shall be responsible for the share equal to the Dedicated Capacity, and true-up as allowed by this CDA.

"Transmission Authority" means collectively those entities owning and/or operating the interconnected transmission system applicable to South Shore and NTEC pursuant to a tariff, including (i) MISO and (ii) all entity(s) responsible under the Interconnection Agreement for providing the transmission lines, any Interconnection Facilities and other equipment and facilities with which NTEC interconnects at the Interconnection Point and transmission system.

"Transmission Authority's System" means the contiguously interconnected electric transmission and sub-transmission facilities over which the Transmission Authority has rights (by ownership or contract) to provide bulk transmission of capacity and energy from the Interconnection Point.

"WUHCA" has the meaning set forth in the Recitals of this Agreement.

EXHIBIT B

PROJECT SITE

RendField Property:

Lots 1-31 Odd Numbers, Block 1, McBean Blocks, East 13th Street;

SE1/4, Block 1, East 13th Street, Townsite of Superior;

Lots 2-16 Even Numbers, Block 1, McBean Blocks, East 14th Street;

Lots 2-16 Even Numbers, Block 2, McBean Blocks, East 15th Street;

NW1/4, NE1/4, and SE1/4, Block 2, East 15th Street, Townsite of Superior;

Block 3, East 13th Street, Townsite of Superior; and

Block 4, East 15th Street, Townsite of Superior.

ATH Property:

N1/2 and SE1/4, Block 1, East 15th Street, Townsite of Superior;

Lots 2-16 Even Numbers, Block 1, McBean Blocks, East 15th Street;

Block 3, East 15th Street, Townsite of Superior; and

Blocks 1, 2, 3, and 4, East 17th Street, Townsite of Superior;

Together with those portions of the vacated alleys and Streets abutting said Blocks, as described in Resolution recorded as Document No. 745027.

THE PROJECT

Plant Type and Project Description

The Project will consist of a nominal fired output of 525-560 MW (annual average) 1x1 combined cycle gas turbine (CCGT) electric generating unit, specifically one G/H-class (290-330 MW nominal) gas turbine generators (GTG), one heat recovery steam generators (HRSG) with duct firing, and one steam turbine generator (STG). The majority of the operating equipment will be located within enclosed structures to be insulated and heated, including the GTG, STG, and HRSG.

The plant will be wet cooled using mechanical draft cooling towers and evaporative cooling will be included on the GTG.

The GTG will be designed to burn pipeline quality natural gas and fuel oil as a backup. On-site heating, regulation, and fuel gas filtering to meet the pressure, superheat, and cleanliness requirements will be included to meet the supply requirements of the GTG, HRSG duct burner, and auxiliary boiler.

Fuel oil backup capability is designed into the facility. The fuel oil backup capability designed into the facility consists of a small onsite surge tank sized for 6 hours of operation for the GTG, which would be fed from an off-site refinery.

A new 345 kV collector bus will be installed to interconnect the output from the generating plant to a new offsite 345 kV substation east of the site. Existing transmission lines that traverse the site will also be relocated to the South end of the site.

A sheet pile wall will be installed between the plant and the Nemadji River.

Raw makeup water will be sourced from new onsite wells. Potable water and raw water backup will be sourced from the local water company. Raw water will be stored on-site in a new service water tank which will allow for 32 hours of service water usage at the maximum ambient temperature. Raw water will be filtered for use as service water, fire water, and to produce demineralized water for cycle makeup.

All wastewater, reverse osmosis reject water, and cooling tower blowdown will be piped offsite to the local waste water system. No additional treatment is expected to be necessary to meet the local waste water system discharge quality limitations. Evaporative cooler blowdown and HRSG blowdown will discharge to the cooling tower basin.

Site storm water will be collected and directed to an on-site storm water runoff pond. The storm water runoff pond will discharge by gravity to the Nemadji River.

Plant Operational Characteristics

The Project will be designed to operate as an intermittent load power plant and have the capability of operating up to the level of the GTG at full load with inlet evaporative coolers plus supplemental duct firing of the HRSG (Maximum Load). The Project will be designed to operate in daily cycling mode with normal operation consisting of Maximum Load and automatic generation control operation for 16 hours per day during weekdays.

The Project will be designed to be capable of running in a stable, continuous, and controllable operation. The GTG will be capable of operation at any load level while operating from the minimum to maximum condition (duct burners and evaporative cooler operating).

The Project will be designed to be capable of starting in all conditions: cold start from ambient temperature after normal shutdown, warm start after normal shutdown and off-line for 36 hours, and hot start following normal shutdown and off-line overnight.

The Project will not be designed to generate electricity while isolated from the utility grid.

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

EXHIBIT C
NTEC CAPITAL COSTS

[TRADE SECRET DATA BEGINS

TRADE SECRET DATA ENDS]

EXHIBIT D
NETWORK UPGRADE COSTS

[TRADE SECRET DATA BEGINS

TRADE SECRET DATA ENDS]

EXHIBIT E

NOTICES AND CONTACT INFORMATION

If not otherwise designated pursuant to Section 16.6 as a recipient of notices, a copy shall all Notices called for under this CDA shall be provided as follows:

Minnesota Power:

Minnesota Power
For delivery by mail:
30 West Superior Street
Duluth, MN 55802

Attn: President Regulated Operations, Minnesota Power
Email: boachs@mnpower.com

With a copy to:

Minnesota Power
30 West Superior Street
Duluth, MN 55802
Attn: General Counsel
Email: bowen@allete.com

South Shore Energy, LLC

South Shore Energy, LLC
c/o Minnesota Power
30 W. Superior St.
Duluth, MN 55802
Attn: Julie Pierce
Email: jpierce@mnpower.com

With a copy to:

c/o Minnesota Power
30 W. Superior St.
Duluth, MN 55802
Attn: General Counsel
Email: bowen@allete.com

APPENDIX I: ASSUMPTIONS AND OUTLOOKS

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

The following section provides a summary of the key economic modeling assumptions and bases that Minnesota Power (or the "Company") utilized in the Strategist Proview ("Strategist") analysis completed for the 2017 Energy*Forward* Resource Package ("EFRP"). This Appendix, detailing the assumptions and outlooks, is organized in the following format:

A) Base Case Economic Modeling Assumptions – a review of the base economic assumptions used in the analysis for the EFRP.

B) Asset Resource Alternatives – a description of the new resource alternatives considered in the EFRP.

C) Assumptions Utilized in the Sensitivity Analysis.

D) Long-term Planning and Wholesale Market Interaction – discussion on utilizing the wholesale market in resource planning.

A. Base Case Economic Modeling Assumptions

Study Period

The timeline of the EFRP analysis is 2017 through 2031. The power supply costs shown in the analysis are the net present value of cost from 2017 through 2034 and are reported in 2017 dollars, unless noted otherwise. The reporting of power supply cost was extended past the required planning period to capture the cost of generation over a longer period of time.

The expansion planning analysis conducted with Strategist considered 15 years of end effects after 2034 when selecting the lowest cost plan.

Externalities, Pricing, and Wholesale Market

1. The Base Case forecasts utilized for externality values, natural gas prices, market energy prices, and market capacity prices over the study period:[1]

    a. The base forecast utilized the Metropolitan Fringe externality values from the State Externality Docket published on June 6, 2016, under Docket Nos. E999/CI-93-583 and E999/CI-00-1636. The mid-point of the externality values are utilized in the Base Case for the EFRP. These value ranges are approximate representations of what is in the Strategist database.

        i. Carbon externality cost range: $2.60/ton in 2017 to $3.44/ton in 2031

        ii. Oxides of nitrogen ("NO_x") externality cost range: $310/ton in 2017 to $410/ton in 2031

        iii. Sulfur dioxide ("SO_2") externality cost range: $0/ton in 2017 to $0/ton in 2031

[1] Values are in nominal dollars.

iv. Particulate matter ("PM") externality cost range : $3,722/ton in 2017 to $4,926/ton in 2031

v. Carbon monoxide ("CO") externality cost range: $1.61/ton in 2017 to $2.13/ton in 2031

vi. Lead ("Pb") externality cost range: $2,785/ton in 2017 to $3,687/ton in 2031

b. The SO_2 allowance price for Cross-State Air Pollution Rule ("CSAPR") Group 2: $3.52/ton in 2017 to $0/ton in 2031.

c. Natural gas forecast assumptions utilized in the base forecast.

i. Natural Gas at Henry Hub: $3.35/MMBtu in 2017 to $5.29/MMBtu in 2031

ii. Natural gas supply prices reflect the projected spot market at Henry Hub. In addition, a delivery charge was applied on a resource-specific basis. The delivery charges were escalated at approximately 2 percent annually, on average, after 2017. The delivery charges applied were as follows:

1. **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]** for the fuel supply of new generic combustion turbine and combined cycle gas generation alternatives
2. **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]** for the Nemadji Trail Energy Center ("NTEC") combined cycle facility
3. **[TRADE SECRET DATA BEGINS**…

…**TRADE SECRET DATA ENDS]** for the Laskin Energy Center ("LEC")

iii. The firm delivery component of intermediate natural gas resources like the combined cycle was incorporated into the fixed cost revenue requirement for the asset.

d. Delivered coal price forecast assumptions utilized in the base forecast represent the attributes of each of Minnesota Power's facilities and include: **[TRADE SECRET DATA BEGINS**…

…**TRADE SECRET DATA ENDS]**

e. Delivered biomass price forecast assumptions utilized in the base forecast: **[TRADE SECRET DATA BEGINS**...

…**TRADE SECRET DATA ENDS]**

f. Wholesale Market Capacity (approximate): $1,277/MW-month in 2017 to $9,678/MW-month in 2031. Wholesale market capacity was made available up to a maximum of 50 MW for the model during all study years.

g. Wholesale Market Energy without carbon (approximate): $29/MWh in 2017 to $48/MWh in 2031.

h. Wholesale Market Energy with carbon (approximate): $29/MWh in 2017 to $66/MWh in 2031.

2. The Base Case energy market interaction structure for Minnesota Power's analysis assumed that the wholesale market was available throughout the study period. Further discussion regarding the Company's position related to the interaction with, and utilization of the wholesale energy market in long-term planning is discussed further in Part D of this Appendix. The wholesale energy market structure in the modeling represents the day-ahead interaction with the Midcontinent Independent System Operator ("MISO") regional market and helps utilities optimize power supply for customers. A sensitivity called 'Without Market' was developed that assumed the wholesale energy market was unavailable as a long-term power supply resource through the study period. This sensitivity was included to understand the impact to the planning analysis when the availability of the regional wholesale energy market is removed. A more detailed description of the structure of each market interaction is provided below.

   a. With Wholesale Energy Market ("With Market") – A conservative approach was taken when creating the wholesale energy market that would be made available as a power supply resource during the study period. While the regional market is a valuable and useful piece of a utility's power supply, it should not be considered an 'endless' resource. To help account for the increased risk and volatility that is present when purchasing incrementally larger amounts of energy from the short term market, an increasing price adder was included based on the level of energy purchased. As the volume of energy purchased from the market increased, so did the price adder. This is referred to as a 'Tiered Energy Market' and includes the following pricing assumptions:

      i. 0 to 150 MW at base forecast price

      ii. 151 to 300 MW at base forecast price plus $15/MWh premium adder

      iii. 301 to 600 MW at base forecast price plus $40/MWh premium adder

      iv. Greater than 600 MW at emergency energy price ($112/MWh in 2017 and escalating at the same rate as wholesale energy prices thereafter)

   b. Without Wholesale Energy Market Sales ("No Market Sales") – For this scenario, the ability to sell surplus energy in the wholesale market was removed. All assumptions related to wholesale energy purchases (including emergency energy) remained the same as explained previously in section A.2.a. This scenario allows for the consideration of portfolios and their ability to supply only customer energy requirements and not an over-reliance on revenues generated through wholesale energy market sales.

3. The estimated decommissioning cost for Minnesota Power's small coal units which are retired at various points in the EFRP are from a study completed by Burns & McDonnell called "Site Decommissioning Study 2015."[2] Decommissioning costs at each facility are assumed to be recovered and depreciated for 10 years past the shutdown date. Remaining plant balances at each facility are assumed to be recovered and depreciated according to their current schedule.

4. Carbon regulation penalty costs[3]

   Minnesota Power included a base outlook that included the base externality value for carbon dioxide ("CO_2") in its base forecast as well as a base outlook that included the base regulation penalty for CO_2 for this planning evaluation. Minnesota Power continues to consider CO_2 regulation as unlikely to come into effect in the near term. Per Minnesota state requirements, it is including an evaluation of the mid-CO_2 regulation cost as listed below. The CO_2 regulation value for the mid-CO_2 regulation penalty are from the 2014 Order Establishing 2014 and 2015 Estimate of Future Carbon Dioxide Regulation Costs, pursuant to Minn. Stat. §216H.06,in Docket No. E999/CI-07-1199.

   a. Mid CO_2 regulation value ranging from $21.50/ton starting in 2022 to $26/ton in 2031.

Minnesota Power Resources and Bilateral Power Transactions

Another important component of a utility's power supply is the contracted purchases and sales conducted within the industry. These transactions optimize the power surpluses and deficits that occur due to industry load and supply changes. Also called bilateral transactions, these contracts allow the Company to work with other entities to procure energy and capacity.

A bilateral transaction is functionally different than the day-ahead regional energy and capacity markets represented by the MISO tariff construct. Bilateral transactions are typically forward, medium to longer-term contracts with defined pricing terms. Minnesota Power monitors the bilateral power markets to identify opportunities to contract with other entities when it is in the best interest of Minnesota Power's customers. For this EFRP, the Company has the following bilateral transaction alternative made available based on its most recent industry and peer interactions:

5. An unidentified 50 MW bilateral purchase, referred to as a "bridge purchase" in the analysis write-up, was modeled in Strategist as a new resource alternative. The "bridge purchase" was made available in 2023 for two years in the winter resource adequacy planning cases and available in 2024 for one year in the summer resource adequacy planning cases. The deferred bridge purchase energy pricing is based on the equivalent of purchasing energy from a natural gas combined cycle unit and was modeled as an intermediate type energy resource.

   In the scenarios where the Minnesota Public Utilities Commission's approved carbon regulation value is modeled, the bilateral purchase had a carbon penalty added to the

[2] Included in the 2015 Remaining Life Depreciation Petition (Docket No. E015/D-15-711).

[3] All carbon regulation penalty costs reflect dollars per ton.

energy price based on the emission rate for a combined cycle natural gas unit. **[TRADE SECRET DATA BEGINS**…

…**TRADE SECRET DATA ENDS].**

6. The emission rates for the thermal generation units included in Strategist are modeled as tons or pounds per MMBtu of fuel consumed for energy production. The level of effluents emitted per MWh generated will vary depending on the output level of a generation facility. As a generator is dispatched to a lower output level because of economic conditions, the effluents emitted per MWh will increase due to the generator operating at a less efficient level when compared to running at full output. The effluents modeled with emission rates in Strategist are:

    a. Carbon Monoxide (CO)
    b. Carbon Dioxide ($CO_{2)}$
    c. Lead (Pb)
    d. Mercury
    e. Nitrogen Oxide (NO_x)
    f. Particulate Matter 10 (PM_{10})
    g. Sulfur Dioxide (SO_2)

There were two approaches taken to modeling emission rates for CO_2 in the Strategist model:

a. A CO_2 rate was set-up to calculate the cost of a CO_2 regulation penalty; this is referred to as "CO_2" in the Strategist model. These CO_2 rates were applied to the generation resources that would be subject to a CO_2 regulation penalty in a CO_2 constrained scenario.

b. A CO_2 rate was set up to calculate the externality cost of CO_2 and to measure the progress on meeting the State Green House Gas Goal (Minn. Stat. § 216H.02); this is referred to as "CO_2-E" in the Strategist model. This CO_2 rate was assigned to all power supply resources, including bilateral market purchases, generation and energy sales. The accompanying CO_2 with an energy sale is removed from the power supply. The "CO_2-E" rate modeled in Strategist was pounds per MWh. Note that the CO_2 emissions from MISO market energy purchases and sales were calculated outside of the Strategist model.

Minnesota Power Load and General Economic Assumptions

For the 2017 EFRP, Minnesota Power considered portfolio development under both a summer and winter peak seasonal resource adequacy requirement. Minnesota Power's planning reserve margin requirement assumptions are driven by load forecast and MISO resource adequacy requirements.

7. Customer energy and demand requirements are based Minnesota Power's AFR2016. The energy and demand forecast has been adjusted from the AFR2016 Align Scenario for increased energy sales to existing customers returning from idled operations. Transmission losses are included in the energy and demand requirements.

The transmission losses of 6 percent are added to the Annual Energies to capture the power supply requirements for serving Minnesota Power's customers.

8. Capacity accreditation values for Minnesota Power's existing fleet of generators are the unforced capacity ("UCAP") and are based on MISO's Planning Year 2017-2018 generation performance test results and historical XEFORd[4] per the Module E Resource Adequacy program.

9. Planning reserve margin is based on MISO's required reserve margin of 7.8 percent based on its Planning Year 2017-2018 Loss of Load Expectation Study and UCAP generating capability and projected energy demand in the MISO Region. These values are used in both the summer and winter season resource adequacy requirement planning models.

10. The utility discount rate is the weighted average cost of capital ("WACC") for Minnesota Power based on current capital structure and allowed return on equity. The utilized discount rate is 8.18 percent.

11. A general escalation rate of 2.0 percent was utilized, except for capital cost for new generation, which is escalated at 3.0 percent per year.

Minnesota Power Energy Efficiency Assumptions

Minnesota Power has evaluated past Conservation Improvement Program ("CIP") program performance, related success factors, and potential future opportunities to determine scenarios that would help meet the Company's resource planning goals, while continuing to comply with the State's CIP specific requirements related to the 1.5 percent energy-savings policy goal.

The Company's approach to developing scenarios for increased levels of planned energy efficiency included analysis and research, which provided insight into historical performance, future opportunities, and the changing energy efficiency environment in which the Company operates. Three scenarios of incremental energy and capacity savings were developed for modeling in the Strategist model: 11 GWh, 15 GWh or 30 GWh per year, resulting in aggregate capacity savings by 2025 of approximately 20 MW, 25 MW and 50 MW, respectively. These are the same three scenarios included in the 2015 Resource Plan (Docket No. E015/RP-15-690)

A high-level summary of the modeled scenarios is shown in Table 1, below. The "Scenarios" section titled "Plan" represents the additional GWh the associated plan includes in terms of first-year savings as compared to the existing plan which is included in the base energy forecast for the EFRP. The remaining columns represent the costs and energy savings for the options. Note the energy and demand savings shown here are first-year savings and the associated costs are estimates for the plan year 2017.

[4] Equivalent Forced Outage Rate Demand ("XEFORd") is a measure of the probability that a generating unit will not be available due to forced outages or forced de-ratings when there is demand on the unit to generate.

Table 1: Summary of Alternative CIP Scenarios

Scenario	Annual Program Costs (million $)		*Annual Savings at the Generator	
Plan	*Total*	*Total Incremental Costs*	*Incremental Energy (GWh)*	*Summer Peak (GW)*
Existing	$7.1	$0.0	0	0.0071
+ 11 GWh	$9.7	$2.7	10.8	0.0087
+ 15 GWh	$11.1	$4.1	14.7	0.0093
+ 30 GWh	$17.6	$10.5	30	0.0116

B. Asset Resource Alternatives Evaluated

The resource alternatives that were screened as possible new generation alternatives are provided below. The capital costs were based on Minnesota Power's most current planning estimates for such resources. The estimates are high level engineering projections and typically have a +/- 30 percent range of accuracy. These resource options were reduced to a smaller list for the 2017 EFRP detailed expansion planning evaluation in Strategist software through a screening process that is outlined in Appendix XX – Detailed Analysis.

1. 525 MW (approximate) generic natural gas 1x1 combined cycle facility
    a. Estimated capital build costs plus transmission upgrade costs in 2017 dollars is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**
2. 228 MW (approximate) natural gas combustion turbine unit
    a. Estimated capital build costs in 2017 dollars is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**
3. 112 MW (approximate) natural gas aero-derivative unit
    a. Estimated capital build costs in 2017 dollars is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**
4. 55 MW (approximate) natural gas reciprocating engines (6 x 9.1MW engines)
    a. Estimated capital build costs in 2017 dollars is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**
5. 100 MW (approximate) generic wind farm located in southwest Minnesota
    a. Estimated energy cost is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].** It was assumed generic wind received no accredited capacity value for Resource Adequacy. The generic wind does not

capture any Production Tax Credit (PTC) because this wind is available post PTC timing.

b. Note: In the 50 percent Renewable and 75 percent Renewable swim lanes, the generic wind assumed a 15 percent accredited capacity credit. A $5/MWh adder was included in the energy cost to capture the likely cost for MISO system upgrades that would be required as part of the interconnection agreement.

6. Residential/Commercial Central Air Conditioning ("CAC") and electric hot water heater cycling ("HW") demand response program (investigative values only)

   a. The utility cost of implementing the demand response program includes equipment cost of $200 per participant plus a bill incentive of $40 per participant per year (CAC cycling program customers) or $60 per participant per year (HW cycling program customers) in 2017 dollars.

   b. The utility cost of implementing the demand response program would also include in 2017 dollars **[TRADE SECRET DATA BEGINS**…

…**TRADE SECRET DATA ENDS]**. The initial program cost and annual O&M were allocated 50/50 between the CAC and HW programs.

7. Battery Storage

   a. 10 MW / 40 MWh (approximate) lithium ion battery facility with an estimated capital cost in 2017 dollars of $3,671/kW ($917,750/MWh). Due to assumed advancements in battery storage technology, the forward price curve for new battery projects de-escalates over time. The escalation rate applied to the capital cost is -3.37 percent each year until the end of 2024, and is kept flat thereafter. The future escalation estimates are based on research from the International Finance Corporation report named Energy Storage Trends and Opportunities in Emerging Markets.[5]

The shortlist proposals that were evaluated as possible new generation alternatives are provided below. The costs were based on the proposals provided as a part of Minnesota Power's recent Request for Proposals ("RFP"). Refer to Sections 4 thru 6 of this Petition on how the RFP responses were screened for wind, solar, and combined cycle.

8. 250 MW partial ownership/share of 525 MW (approximate) natural gas 1x1 combined cycle facility

   a. Expected first year capacity payment in 2025 is **[TRADE SECRET DATA BEGINS**…

…**TRADE SECRET DATA ENDS]**.

[5] *See Energy Storage Trends and Opportunities in Emerging Markets*, INTERNATIONAL FIN. CORP. (2017), *available at* https://www.ifc.org/wps/wcm/connect/ed6f9f7f-f197-4915-8ab6-56b92d50865d/7151-IFC-EnergyStorage-report.pdf?MOD=AJPERES

9. Various sizes of thin film photovoltaic ("PV") solar facilities were considered from the RFP. Contractual energy costs remained flat from the initial in-service year of the purchase through the entire contract duration. Solar production is based on estimates received in the RFP.
    a. 10 MW (approximate) with an estimated energy cost of **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]**. The 10 MW RFP solar facility is only available in 2020.
    b. 100 MW (approximate) with an estimated energy cost of **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]**. The RFP solar is available in 2020.
10. 102 MW (approximate) wind farm provided through **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]** located in central North Dakota.
    a. Expected energy cost is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]**. This RFP wind product is available in 2019.
11. 250 MW (approximate) wind farm provided through Tenaska's Nobles project located in southwestern Minnesota.
    a. Expected energy cost is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]**. This RFP wind product is available in 2020.
12. 200 MW (approximate) wind farm provided through **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]** located in eastern South Dakota.
    a. Expected energy cost is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].** This RFP wind product is available in 2019.
13. 96.5 MW (approximate) of interruptible large power customer demand for emergency system events.
    a. Estimated capacity payment is **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].** This RFP demand response product is available in 2019.

C. Assumptions Utilized in the Sensitivity Analysis

The following variables were stressed low and high in the single variable sensitivity analysis.

1. Wholesale market energy without carbon

a. A lower sensitivity representing a decrease of 50 percent from base: **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**

b. A low sensitivity representing a decrease of 25 percent from base: **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**

c. A high sensitivity representing an increase of 25 percent from base: **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**

d. A higher sensitivity representing an increase of 50 percent from base: **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**

2. Wholesale market energy with carbon regulation penalty

a. A lower sensitivity representing a decrease of 50 percent from base: **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**

b. A low sensitivity representing a decrease of 25 percent from base: **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**

c. A high sensitivity representing an increase of 25 percent from base: **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**

d. A higher sensitivity representing an increase of 50 percent from base: **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS].**

3. Natural gas price forecast at Henry Hub

a. A lower sensitivity representing a decrease of 50 percent from base: **[TRADE SECRET DATA BEGINS**…
…**TRADE SECRET DATA ENDS].**

b. A low sensitivity representing a decrease of 25 percent from base: **[TRADE SECRET DATA BEGINS**…
…**TRADE SECRET DATA ENDS].**

c. A high sensitivity representing an increase of 25 percent from base: **[TRADE SECRET DATA BEGINS**…
…**TRADE SECRET DATA ENDS].**

d. A higher sensitivity representing an increase of 50 percent from base: **[TRADE SECRET DATA BEGINS**…
…**TRADE SECRET DATA ENDS].**

e. The highest sensitivity representing an increase of 100 percent from base: **[TRADE SECRET DATA BEGINS**…
…**TRADE SECRET DATA ENDS].**

4. Carbon regulation penalty costs[6]

A base outlook was evaluated that included the base externality value for CO_2 in the base forecast. A base outlook that included the base regulation value for CO_2 was also evaluated for the 2017 EFRP. Due to Minnesota state requirements, an evaluation of several levels of carbon regulation costs are included, and listed below.

The evaluation of several carbon regulation levels provides insight into what the customer impact of potential carbon regulation prices is likely to be. However, these costs should not directly impact long-term resource decisions until regulation has been defined and approved for implementation. The carbon regulation values for the sensitivities are from the 2014 Order Establishing 2014 and 2015 Estimate of Future Carbon Dioxide Regulation Costs, pursuant to Minn. Stat. §216H.06,in Docket No. E999/CI-07-1199. Minnesota Power delayed the start of the carbon regulation value to 2022 to align with the start of the EPA's proposed Clean Power Plan.

a. A sensitivity based on the low carbon regulation value ranging from $9/ton starting in 2022 to $11/ton in 2031.

b. A sensitivity based on the high carbon regulation value ranging from $34/ton starting in 2022 to $41/ton in 2031.

The evaluation included a sensitivity based on the EPA's projected social cost of carbon using a 3 percent discount rate. The social cost of carbon was treated as an externality value in the Strategist modeling. This sensitivity was run with the "no market" backdrop because of a modeling constraint that did not allow a CO_2 externality value to be accurately applied to wholesale market purchases or sales.

c. The social cost of carbon values ranged from $41/ton starting in 2017 to $72/ton in 2031.

5. Externality costs

The values for SO_2, PM_{10}, CO, NO_x, Pb, and CO_2 were stressed to the low and high levels indicated in the Metropolitan Fringe from the State Externality Docket, Docket Nos. E999/CI-93-583 and E999/CI-00-1636.

A sensitivity was included that removed all externality values.

6. Coal fuel prices

a. The low sensitivity reduced coal prices by approximately 30 percent from base.

b. The high sensitivity increased coal prices by approximately 30 percent from base.

[6] All carbon regulation penalty costs reflect dollars per ton.

7. Capital costs
    a. The low sensitivity reduced base project costs by 30 percent from base.
    b. The high sensitivity increased project costs by 30 percent from base.
8. Wind capital costs
    a. The capital cost for wind farms was adjusted so that the levelized cost varied in $5/MWh increments from $25/MWh to $35/MWh.
9. Solar capital costs
    a. The capital cost for a thin film solar facility was adjusted so that the levelized cost varied in $10/MWh increments from $35/MWh to $75/MWh.
10. Incremental energy efficiency
    a. An increase of 15 GWh above base.
    b. An increase of 30 GWh above base.
11. Wind Capacity Accreditation
    a. The capacity credit of existing wind farms was reduced by 20 percent from base.
12. Planning Reserve Margin ("PRM") requirement
    a. The PRM established by MISO in its 2017 Loss of Load Expectation ("LOLE") Report was increased by 2 percent from base.
13. MISO Coincidence Factor
    a. A low sensitivity to the MISO coincidence factor of 2 percent below base, which resulted in a MISO coincident peak demand higher than base.
    b. A high sensitivity to the MISO coincidence factor of 2 percent above base, which resulted in a MISO coincident peak demand lower than base.
14. Customer sales forecast
    a. The low sensitivity is based on a Potential Downside Scenario.
    b. The high sensitivity is based on a Potential Upside Scenario.
15. Sustained low market prices
    a. Wholesale energy market and natural gas prices kept constant from 2017 levels.
16. Purchases and sales tiers
    a. The lowered market sensitivity reduced interchange tie limits by 50 percent from base.

b. The no wholesale market sensitivity removed the tiered energy market, allowing only purchases of emergency energy.

c. The no market tiers or sales removed the tiered energy prices for market purchases and removed the capability to sell economic or surplus energy into the market.

D. Long-term Planning and Wholesale Market Interaction

This discussion is included to demonstrate why it is reasonable for the Company to assume a specific level or range of market purchases throughout the planning period within a resource plan or the 2017 EFRP.

It should be noted that the term "market" consists of two segments, capacity and energy. Minnesota Power recognizes that exposure to either a capacity or energy market for a majority of power supply requirements is not in the best interest of customers. However, its utilization in moderation in long-term planning can, and does, bring benefits and efficiencies to its customers.

From a long-term planning perspective, the Company limits utilization of market capacity to no more than 50 MW through the planning period. The inclusion of a small amount of market capacity brings benefit to the customer by bridging short-term capacity needs. These purchases come at a lower cost than building a new resource, and bridge the Company's need until the capacity need grows to a large enough magnitude to justify a resource build. In the absence of market capacity, production cost models like Strategist would be forced to suggest that a utility build a new resource. A facility of up to hundreds of megawatt in size, depending on technology, would be recommended when a single megawatt purchase could satisfy the need. This is not prudent resource planning for capacity and can lead to an expedited overbuild of generation if the results of expansion planning models without market capacity were implemented as prescribed.

The availability of a small amount of market capacity must be present in the long-term. The foundation of resource planning, the regional reserve margin requirements, ensure that participating utilities are moving towards integrating new resources as demand rises on the power system. When demand is stagnant or falling, as the industry has seen recently, there can be generation surpluses on the system. Or as utilities build new resources that are in excess of their direct needs, due to the size of a particular generation technology, there can be temporary surpluses. The Company has utilized the bilateral market for decades to buy and sell capacity from existing generation sources on both a long and short-term basis. These transactions have benefited customers by keeping power supply additions paced with system load growth, and by allowing Minnesota Power to sell excess generation during load decline. The presence of a market capacity transaction in expansion planning outlooks identifies that a utility can optimize the timing of its next resource by reaching out to the industry marketplace, and looking for a transaction to help bridge their customers to the next resource.

Similarly, the presence of an energy market in resource planning allows for the optimization of power supply needs on a more granular level. The onset of regional markets like MISO allows day to day energy needs to be pooled together such that each utility is continuously working for the larger energy needs of the region. It is prudent planning practice to include some wholesale market interaction in base planning assumptions, as utilities transition into new generating resources and power purchase transactions for customers. When considering the integration of

intermittent generation into the supply portfolio, as many utilities have embarked on with the onset of the Minnesota Renewable Energy Standard and declining cost of solar and wind, it is appropriate to have a wholesale market available.

Energy market purchases are in the best interest of customers to plan and assist with the variability of intermittent resources. Wind, hydro, and solar all rely on the availability of other generation to "fill in the gaps" when the resource is not available. Not having the regional market available during long-term expansion planning to help with the intermittency of renewable generation would promote overbuilding of a single utility's system and not account for existing regional support. Excluding the presence of the market would not only result in increased customer cost, but also would minimize the value proposition of regional markets like MISO.

Minnesota Power has a long-term planning strategy of avoiding expansion plans that would rely on more than **[TRADE SECRET DATA BEGINS**… …**TRADE SECRET DATA ENDS]** percent of energy supplied for load requirements to be solely supplied from the wholesale market. The Company will procure resources, either generation assets or bilateral power purchase transactions sourced from these assets to ensure its customers are not exposed to significant wholesale market fluctuations. Market energy purchases are limited through both a capacity limit and a tiered cost structure which increases as energy purchases increase (as described in item A.2). Both regional capacity and energy prices are projected through the independent scenario forecasts that Minnesota Power subscribes to, and are updated on a biannual basis. The uncertainty of market prices and level of capacity interaction is tested through sensitivity analyses. These sensitivities illustrate potential operational and cost risks for customers, and help identify if a different resource strategy is needed. Item C.1-2 above identifies the ranges utilized. The wholesale market is included in this EFRP; the regional reserve margin and bilateral support of the region will continue to be part of the Company's power supply in the future.

APPENDIX J: DETAILED RESOURCE PLANNING ANALYSIS

PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

This Appendix contains the support and approach for the analysis discussed in Section III of Minnesota Power's Energy*Forward* Resource Package. This Appendix is broken into two sections:

1. Screening of Power Generation Alternatives
2. Additional Analysis further supporting Minnesota Power's Energy*Forward* Resource Package

1. Screening of Power Generation Alternatives

This section explains how Minnesota Power (or the "Company") screened generation alternatives to be included in the capacity expansion plan modeling using the Strategist Proview model. This was a necessary first step due to limitations in the number of alternatives the Strategist Proview model can evaluate simultaneously in an expansion plan evaluation. For the evaluation of alternatives in selecting the Energy*Forward* Resource Package, Minnesota Power considered a number of new and emerging power supply resource types in addition to mature technologies.

Consistent with the Company's power supply principles and Energy*Forward* strategy, only carbon-minimizing resources that could further diversify the fuel supply mix were considered as viable power generation alternatives. These supply-side and demand-side resource options include renewable resources, load reduction programs, energy storage technologies, and mature natural gas-fired technologies. The power supply alternatives Minnesota Power considered represent a diverse range of generation technologies including intermediate and peaking options, renewable generation, and energy storage.

Types of Generation Resources

Intermittent *renewable resources* like solar and wind are typically must-take energy, meaning when the wind is blowing or the sun is shining, this energy needs to be allowed on the system. This is accomplished by using dispatchable resources such as coal and gas to either increase or decrease their generation to allow more renewables on the system or replace renewable energy when not available. Because there is no predictable hourly generation pattern for wind, dispatchable generation needs to be available to respond to changes in wind 24-hours a day. Such changes can occur overnight, when demand is low, or during the peak time of the day, as

customer demand is quickly increasing. Renewable technologies can vary in their capabilities; however, they are largely intermittent and cannot be called upon when needed, except with the integration of storage. Renewable generation typically has a capacity factor between 20 and 55 percent, depending on type of technology and regional climate factors.

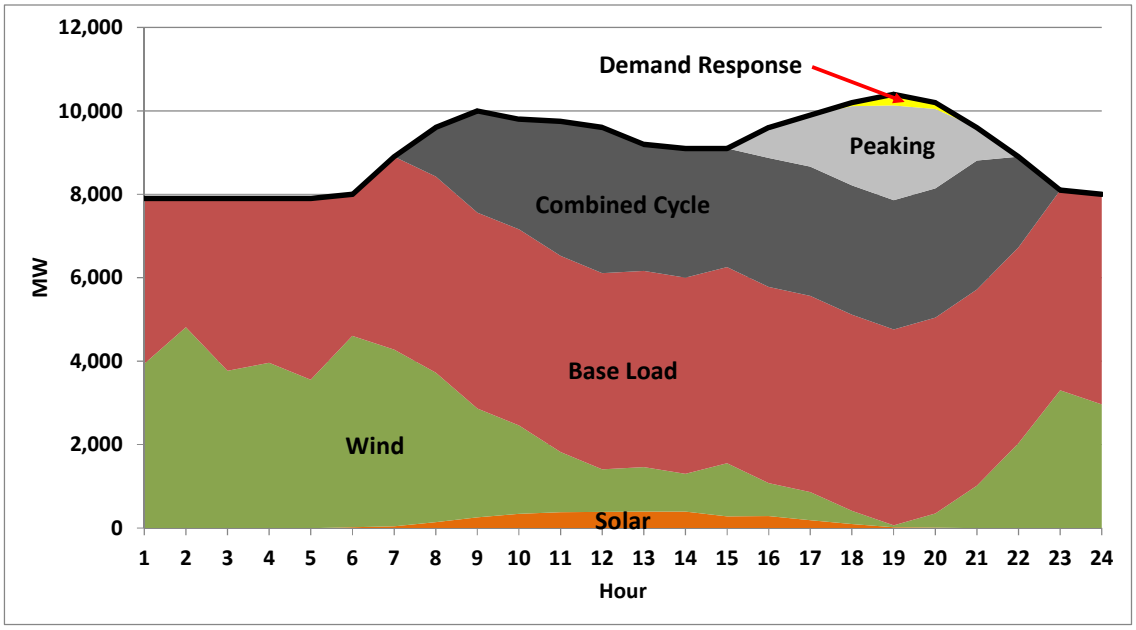
Typically, a ***baseload generation resource*** is used to supply energy to customer load that is constant (such customer demand is commonly referred to as "base load"). Because a constant supply of generation is needed, energy production with a low variable cost is a general trademark of a baseload generation resource, such as coal or nuclear generation. A baseload generation resource produces electricity seven days a week, 24 hours a day, to meet the base requirements and provide system reliability. In Figure 1 below, the "Baseload" area of the graph represents the energy served by baseload generation. Baseload generation resources typically have a capacity factor between 50 to 80 percent.

As load requirements increase throughout a typical day, ***intermediate generation resources*** are relied upon to supply the next step up in load requirements. In addition to energy production cost with moderate variable cost, operational flexibility is another important characteristic of an intermediate generation resource such as a combined cycle ("CC") unit, giving this type of resource the flexibility to dispatch around renewable generation. The typical operation for an intermediate generation resource is to produce energy over the course of 10 to 16 peak energy demand hours during the day and produce no energy overnight, as shown in Figure 1. With the recent trend in low natural gas prices, intermediate generation has operated more like a baseload type resource for short periods of time in some areas of the country. Like baseload generation resources, intermediate generation resources typically have a high capacity factor between 30 to 65 percent.

During peak load hours when all baseload and intermediate generating capacity are already producing energy for customers, ***peaking generation resources and demand response*** are used to fulfill the remaining power supply requirements. Peaking generation, such as a combustion turbine or aero derivative, is typically characterized by very flexible operations with high variable costs. The typical operation for a peaking generation resource is to produce energy for short periods of time ranging from 1 to 4 hours, as shown in Figure 1. Demand response can also offset a portion of the peaking energy requirements, providing a carbon-free resource to reduce customer demand during peak demand periods. Peaking generation resources typically have a capacity factor between 5 and 20 percent.

Figure 1 shows a load curve for a typical day and how different types of generation resources are generally dispatched to meet load requirements and to balance intermittent renewable generation.

Figure 1: Representative Load Generation Curve



Battery (energy) storage and demand response resources have unique characteristics that closely resemble those of peaking resources with some exceptions. Energy storage technologies must be charged prior to being called upon. Charging times differ between energy storage technologies. Storage discharge is an inverse function of both time and magnitude – more energy can be released for a shorter amount of time or less energy can be released for a longer time depending on present needs. These characteristics make storage resources appear similar to peaking resources.

Demand response resources, like central air conditioning ("CAC") and electric hot water heater ("HW") peak-shaving programs, are only effective if the device type under control is being actively utilized. CAC is only effective at reducing peak load during the summer months because utilization of air conditioning units is effectively zero during the winter months in northern Minnesota. HW peak-shaving programs can only be used in conjunction with electric hot water heaters, which limits the potential base of customers because households with natural gas hot water heating are unable to participate. Demand timing for most residential hot water systems is not often correlated to peak hours and so the effectiveness of HW programs at reducing peak demand is diminished. CAC and HW peak-shaving programs have characteristics that make them similar to peaking resources, but are only available when the devices controlled are in demand due to weather or typical usage patterns.

The following list contains the set of generic resource technologies that were considered in the initial screening process.

Screened Resources: New Thermal Generation

Natural Gas Fired - Intermediate
- Combined Cycle Gas Turbine ("CC")

Natural Gas Fired - Peaking
- Simple Cycle Gas Turbine – Combustion Turbine ("SC GT")
- Simple Cycle Aero Derivative ("SC Aero")
- Simple Cycle Reciprocating Internal Combustion Engine ("RICE")

Screened Resources: Renewable Generation and Storage

Minnesota Power has been committed to the development of renewable resources in order to meet the Renewable Energy Standard ("RES") requirements in accordance with Minnesota Statute § 216B.1691. Since the filing of the 2010 Integrated Resource Plan, Minnesota Power has installed nearly 500 MW of wind generation in North Dakota (Bison wind projects 1 through 4) along with another 100 MWs in PPAs, added 11 MW of solar in Minnesota, and has entered into a PPA with Manitoba Hydro for 250 MW of hydro energy. Minnesota Power considered the following renewable resources in the initial screening process.

Intermittent Generation
- Wind located in southwestern Minnesota ("Minnesota Wind")
- Thin Film Photovoltaic Solar ("Solar Thin Film")

Energy Storage
- Lithium-Ion Battery Storage

Screened Resources: Demand-Side Management

Minnesota Power remains a state leader in the successful implementation of its conservation programs and exceeding the 1.5 percent requirement established by Minnesota's Next Generation Energy Act of 2007. All historic and current conservation impacts that meet the 1.5 percent energy savings requirement have been reflected in Minnesota Power's 2016 Annual Electric Utility Forecast Report ("2016 AFR") and updated Energy*Forward* Resource Package energy and demand forecasts. To align with energy efficiency goals approved by the Deputy Commissioner of the Department of Commerce, Division of Energy Resources in Minnesota Power's 2017-2019 Triennial Conservation Improvement Program Plan in Docket No. E015/CIP-16-117, Minnesota Power included an additional 11 GWh of energy efficiency savings in the base case above the 46 GWh assumed in the load forecast. In addition to the conservation programs assumed in the load forecast and base case, demand response alternatives were also considered in Minnesota Power's selection of the Energy*Forward* Resource Package.

- Central Air Conditioning ("CAC") Cycling Peak Shave Program
- Electric Hot Water Heater ("HW") Cycling Peak Shave Program

The economic feasibility of demand-side management alternatives cannot be compared on the same $/MWh basis as new generation alternatives for a screening assessment. The incremental conservation and peak shaving programs were evaluated against supply-side options in later expansion planning analysis using the Strategist model.

Screening Analysis Results

The screening analysis was done by developing and comparing what is known as a "levelized busbar cost" or "levelized cost of electricity" for each resource over a 20 year period. The levelized busbar approach is designed to represent the cost of generating one-megawatt-hour of electricity at the delivery point levelized over facility period of time. In this screening, Minnesota Power compared options over a 20 year period. The levelized busbar cost approach is a simple and effective method to screen generation alternatives for consideration in expansion planning by removing the higher cost alternatives. The levelized busbar cost for each power generation alternative included estimated capital, transmission, operation and maintenance (fixed and variable), and fuel costs (combustible fuel or purchased electrical energy). Busbar costs for resources were compared with and without a carbon emission penalty cost at the base regulation level of $21.50 per ton starting in 2022. All of the alternatives were grouped together with the purpose of selecting the most cost-competitive resources for further evaluation in the expansion planning process. Figures 2 and 3 show the $/MWh levelized busbar cost comparison with and without a carbon penalty. Table 1 shows the alternative net plant cost in 2019$/kW. The busbar cost is shown over a range of assumed capacity factors for each resource alternative assuming an 8.18 percent discount rate and a 2019 in-service date.

Figure 2: Resource Alternatives 20-year Levelized Busbar Cost – With Carbon Penalty - $21.50/Ton (2022) CO_2 Tax Included

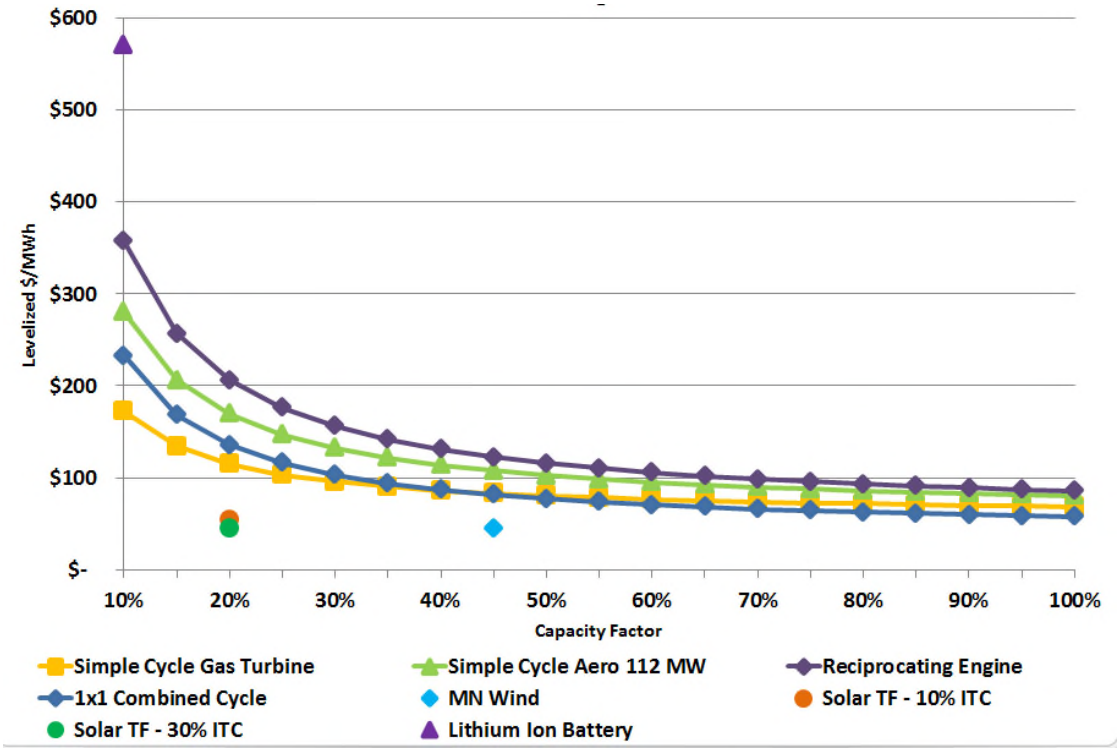
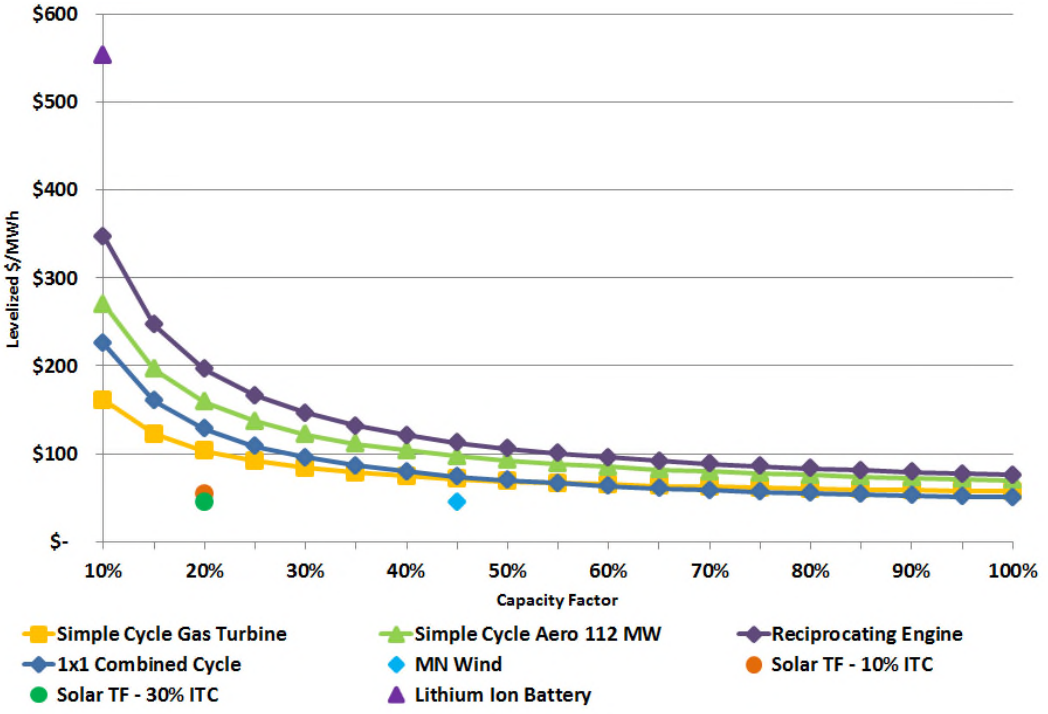


Figure 3: Resource Alternatives 20-year Levelized Busbar Cost – No Carbon Penalty



PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED

Table 1: Resource Alternatives Net Plant Cost (in 2019 $/kW)
[TRADE SECRET DATA BEGINS…

…TRADE SECRET DATA ENDS]

The 1x1 CC was the only intermediate resource considered for inclusion in the Energy*Forward* Resource Package. With or without a carbon penalty, the CC was price competitive against the other considered alternatives across capacity factors typical of an intermediate resource. Therefore, the 1x1 CC alternative was carried forward for further analysis within the Strategist Proview expansion model.

For peaking resources, the SC GT, also referred to as a combustion turbine, represented the lowest levelized busbar cost across capacity factors typical of peaking resources with or without a carbon penalty. The 112 MW SC Aero option had the next lowest levelized busbar costs, followed by the RICE. The project size of the reciprocating engines is smaller and represented a more flexible resource option for expansion planning purposes by meeting smaller capacity requirements that would not be cost effective to meet with a larger alternative. Based on the screening results of the peaking alternatives, the SC GT and 112 MW SC Aero were carried forward for further analysis within the Strategist Proview expansion model. Additionally, the CAC and HW cycling demand-side management programs were carried forward for further analysis in Strategist. Note in the renewable swim lanes, the RICE was used as the capacity resource to build a scenario where Minnesota Power added small peaking generation to align best with growing capacity need.

The renewable and energy storage options represent an intermittent source of power supply. Therefore, the levelized busbar costs are shown as representative capacity factors based on expected hourly production curves or charge/discharge cycle assumptions. The Minnesota Wind and Solar Thin Film options were carried forward for further analysis within the Strategist Proview model.

While the levelized busbar cost is a simple and effective methodology for screening potential resource alternatives, the screening analysis does not show the interaction of long-term capacity requirements, utility load factor, and existing resource mix that also factor into the expansion planning analysis.

Note the generic resource alternatives carried forward from the screening analysis to the expansion plan analysis in Strategist were in addition to the resources modeled from the RFPs for wind, solar, dispatchable gas and large industrial demand response.

2. Additional Analysis that Further Supports Minnesota Power's Energy*Forward* Resource Package

The intent of this section is to provide further support for Minnesota Power's proposed Energy*Forward* Resource Package by providing additional insight into the results from the Steps 1 and 2 discussed in Section III of the report. To help manage the large amount of data gathered for the analysis, this section is organized as follows:

- Additional resource expansion plan results for the Detailed Resource Analysis (Step 1)
- Swim Lane Comparative Analysis result details (Step 2)

Additional Resource Expansion Plan Results for the Detailed Resource Analysis (Step 1)

This section of the Appendix provides additional detail and insight into specific areas of the analysis which support Minnesota Power's proposed Energy*Forward* Resource Package. This section looks at the results after Step 1 – Detailed Resource Analysis is complete and where the generation resources from Minnesota Power's RFP process are considered. This section will summarize results from this step of the analysis.

Minnesota Power used the Strategist Proview model to develop a least-cost portfolio to meet customer demand by comparing the least-cost offers received from the RFP process to other generic resource alternatives (e.g., small peaking) and demand response alternatives. The Strategist Proview software compared the cost of the different resource alternatives under two resource adequacy seasons (summer & winter), with and without CO_2 regulation, and with and without a wholesale market to sell excess generation into the market. In total, there were eight different futures modeled in Step 1 and Step 2. Table 2 below provides descriptions for the eight different futures used in the analysis:

Table 2: Eight Futures Considered in Energy*Forward* Resource Package Analysis

Futures	Strategist Case Name	Resource Adequacy Season	CO_2 Regulation Penalty	Excess Energy Sold Into Wholesale Market
Future 1	C1S	Summer	No	Yes
Future 2	C2S	Summer	No	No
Future 3	C3S	Summer	Yes	Yes
Future 4	C4S	Summer	Yes	No
Future 5	C1W	Winter	No	Yes
Future 6	C2W	Winter	No	No
Future 7	C3W	Winter	Yes	Yes
Future 8	C4W	Winter	Yes	No

Minnesota Power continues to only consider low-carbon emitting alternatives and renewable generation as viable future resource alternatives, such as natural gas-fired generation and solar and wind generation, along with demand-side options such as energy efficiency and load control programs. The resource alternatives selected to be available in the expansion model are based on the least-cost offers from the RFP and the results from the screening analysis discussed earlier in this Appendix. Along with new resource alternatives, a 50 MW market capacity purchase was considered for each year of the plan and an additional 50 MW bilateral bridge purchase of energy and capacity was made available to bridge to gas generation offered in the RFP. These purchases serve two purposes in the modeling: 1) they reflect the capacity available for purchase in the market and 2) they allow for delay of new resource additions until the energy and capacity requirements are large enough to justify a new resource addition – this is a benefit realized by Minnesota Power customers when utilizing the Midcontinent Independent System Operator, Inc. ("MISO") market for energy and capacity.[1]

RFP Alternatives[2]

- 250 MW share of a natural gas-fired 1x1 CC ("1x1 H CC 250MW")
- 102 MW wind farm ("102 MW Wind")
- 200 MW wind farm ("200 MW Wind")
- 250 MW wind farm ("250 MW Wind")
- 10 MW Solar - representation of least cost solar offer received in this size category ("Solar 10 MW")
- 100 MW Solar - representation of least cost solar offer received in this size category ("Solar 100 WM")

[1] Refer to Appendix I – Assumptions and Outlooks for an explanation on why Minnesota Power considers market purchases in the resource decision making process.

[2] The wind alternatives were limited to approximately 300 MW per the Commission's Order Point 9 from the 2015 Resource Plan (Docket No.: E-015/RP-15-690). Any combination of the RFP wind resources could be selected up to 300 MW.

- 97 MW of large power interruptible load ("97 MW LP Interruptible Load")

Generic Alternatives[3]

- 525 MW of natural gas-fired 1x1 CC ("1x1 H CC 525MW")
- 228 MW natural gas-fired combustion turbine ("CT 228MW")
- 112 MW natural gas-fired aeroderivative turbine ("LMS100 112MW")
- 100 MW wind farm located in Minnesota ("Generic MN Wind")
- 10 MW solar farm located in central Minnesota ("Solar 10 MW")
- 100 MW solar farm located in central Minnesota ("Solar 100MW")
- 50 MW bilateral bridge transactions ("Intermediate Bridge Purchase")
- Central Air Conditioning ("CAC") Cycling Peak Shave Program and Electric Hot Water Heater ("HW") Cycling Peak Shave Program.

Figures 4 through 11 show the results from the Strategist Proview evaluation of various resource alternatives (including RFP responses) tested under more than 34 sensitivities stressing carbon regulation, fuel costs, market prices, and others for each of the eight futures modeled. The results shown in these figures were summarized in Figure 16 in Section 3.4 of the Petition. The results of Step 1 helped Minnesota Power identify the best available resources for inclusion in the proposed Energy*Forward* Resource Package.

[3] Note that more than one of each resource option can be chosen during the optimization process. Also, the capacity listed is the installed capacity value for each resource.

Figure 4: Step 1 Detailed Resource Analysis Expansion Plan Summary for Future 1 (Strategist Case C1S)

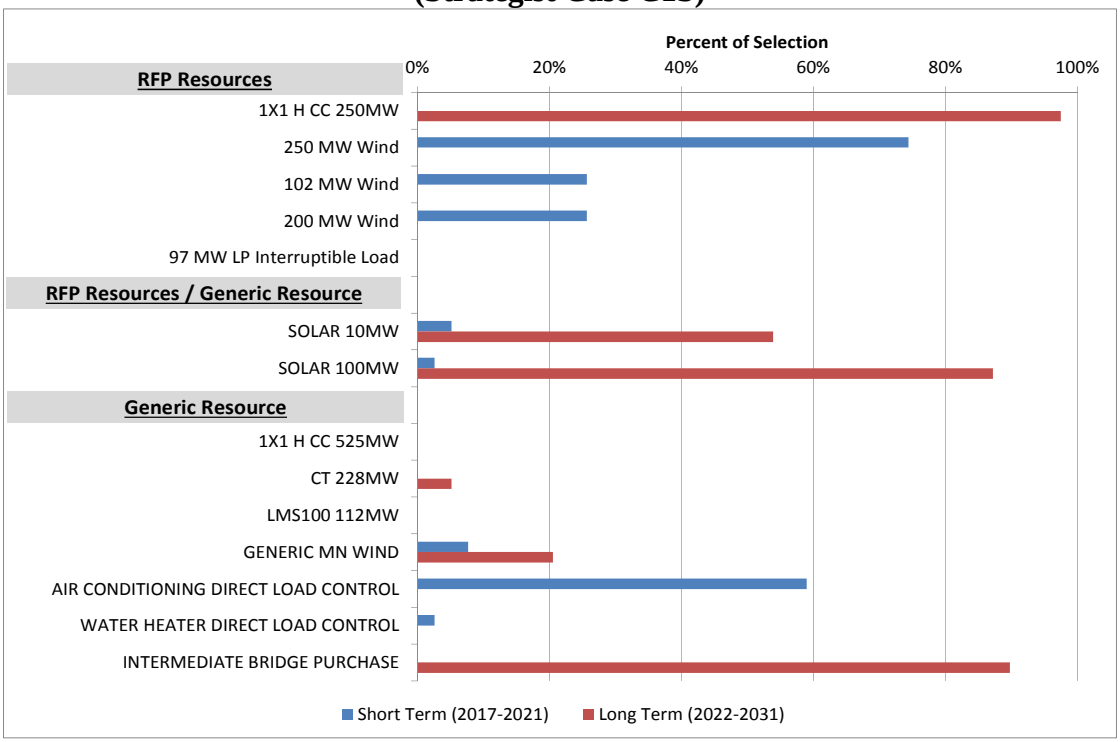


Figure 5: Step 1 Detailed Resource Analysis Expansion Plan Summary for Future 2 (Strategist Case C2S)

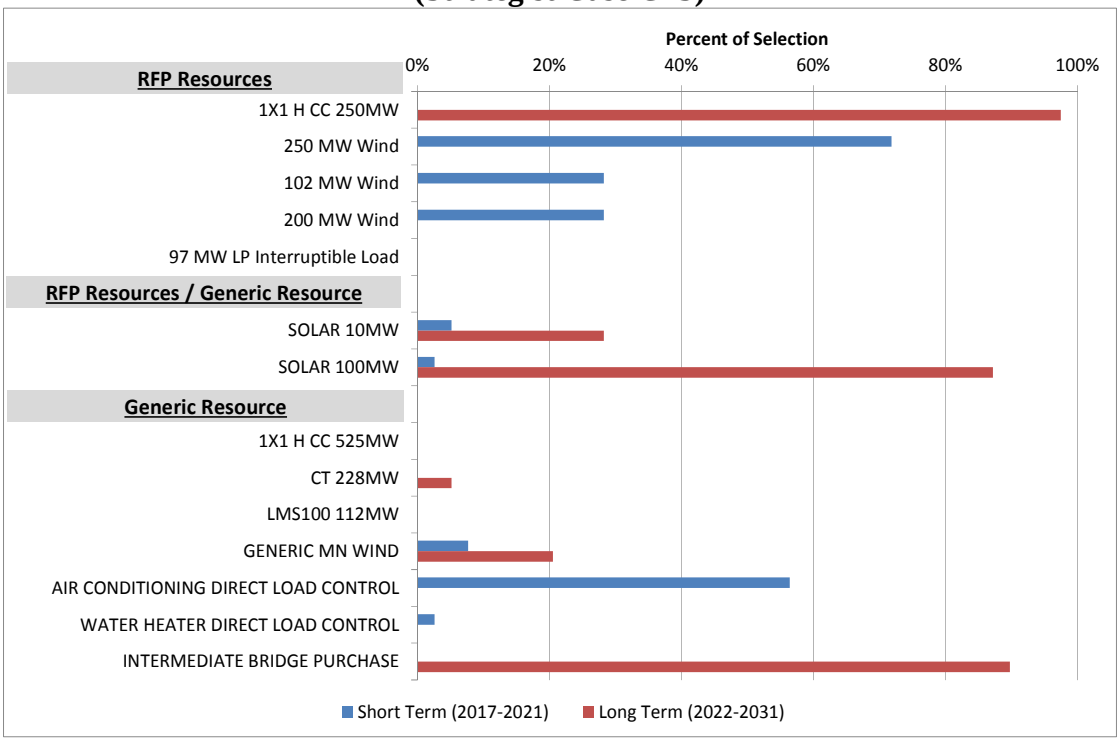


Figure 6: Step 1 Detailed Resource Analysis Expansion Plan Summary for Future 3 (Strategist Case C3S)

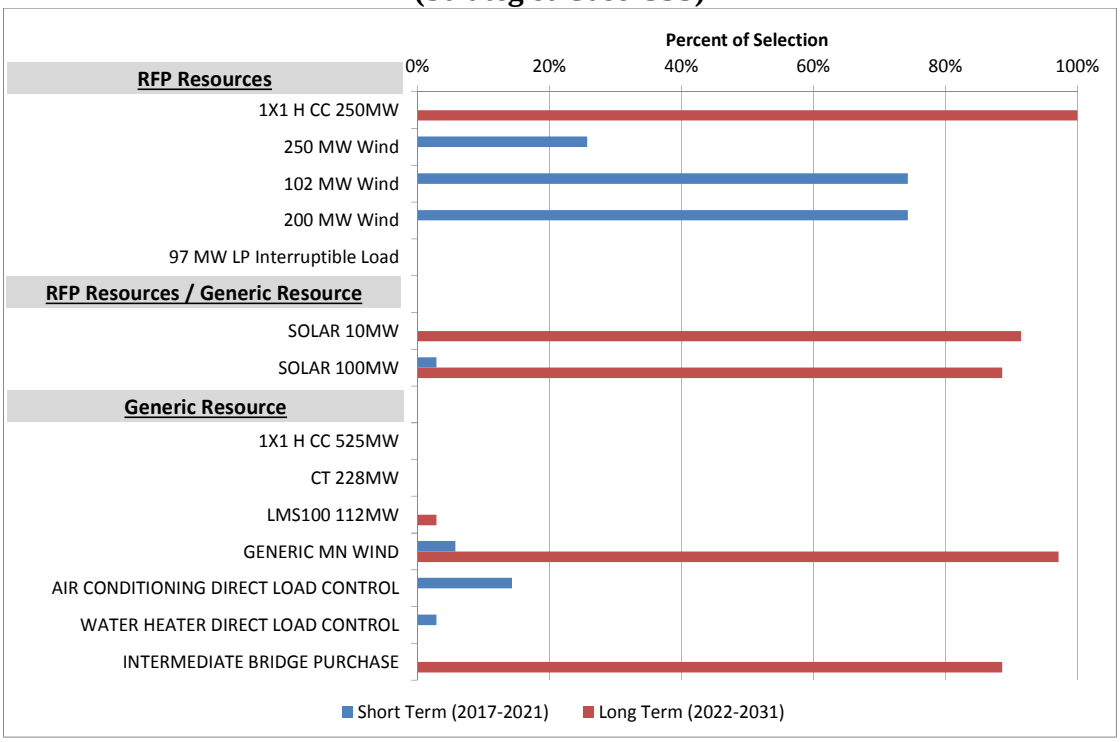


Figure 7: Step 1 Detailed Resource Analysis Expansion Plan Summary for Future 4 (Strategist Case C4S)

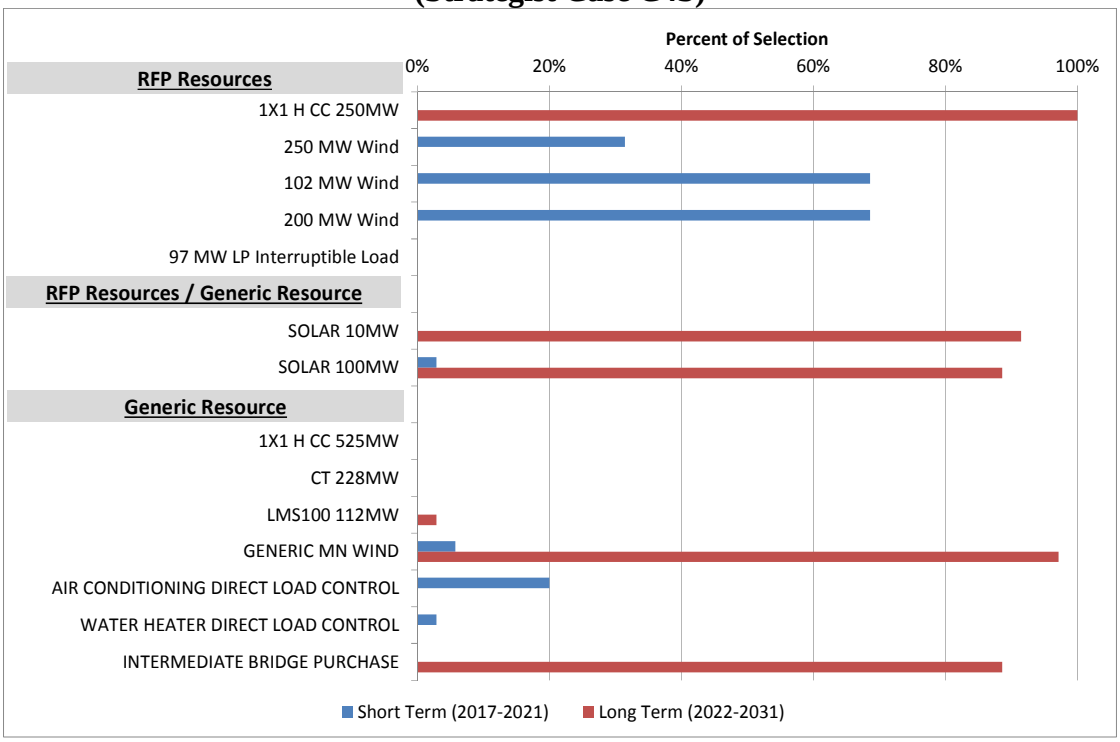


Figure 8: Step 1 Detailed Resource Analysis Expansion Plan Summary for Future 5 (Strategist Case C1W)

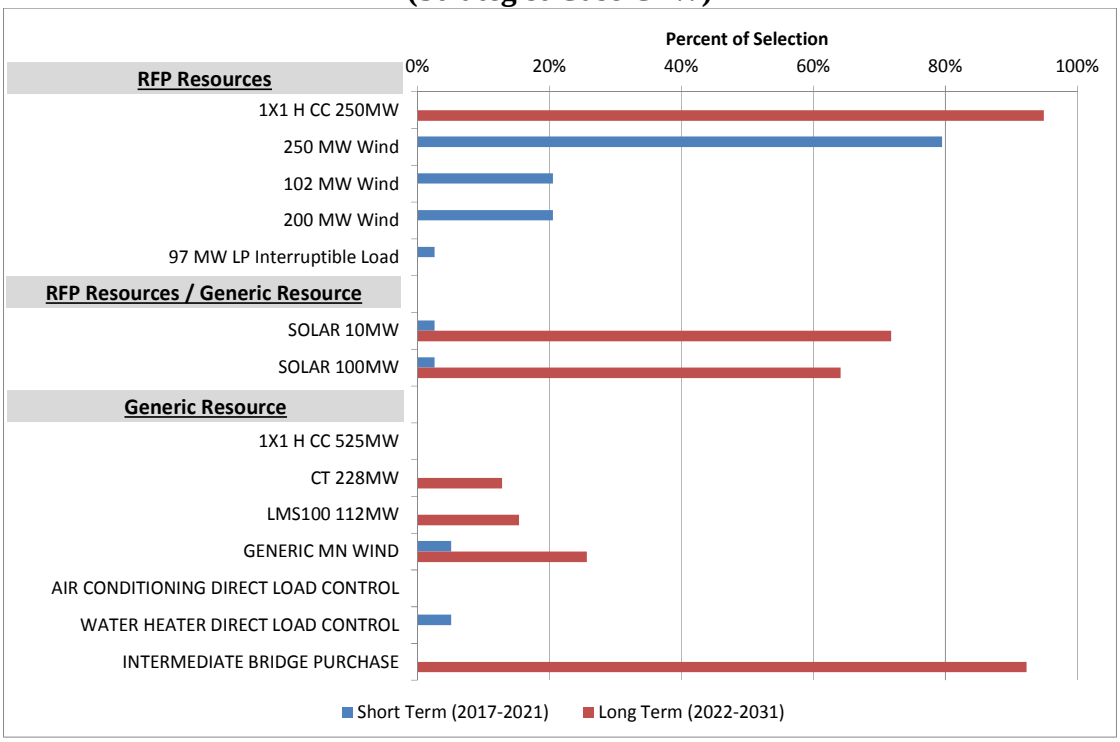


Figure 9: Step 1 Detailed Resource Analysis Expansion Plan Summary for Future 6 (Strategist Case C2W)

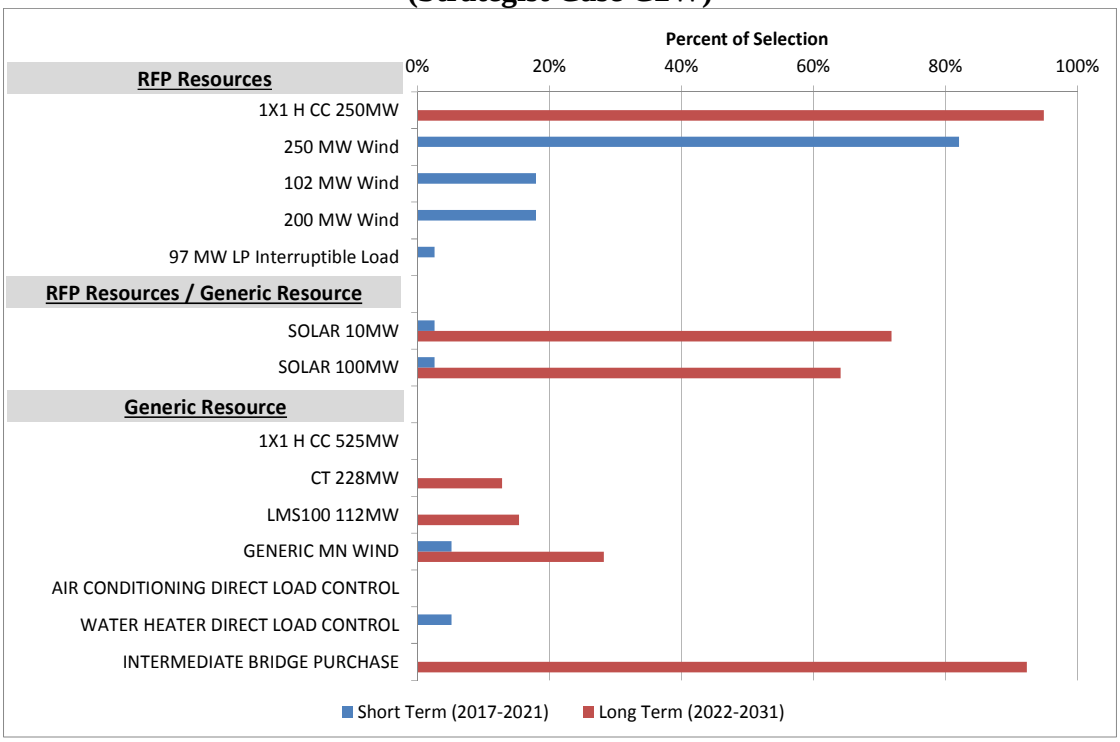


Figure 10: Step 1 Detailed Resource Analysis Expansion Plan Summary for Future 7 (Strategist Case C3W)

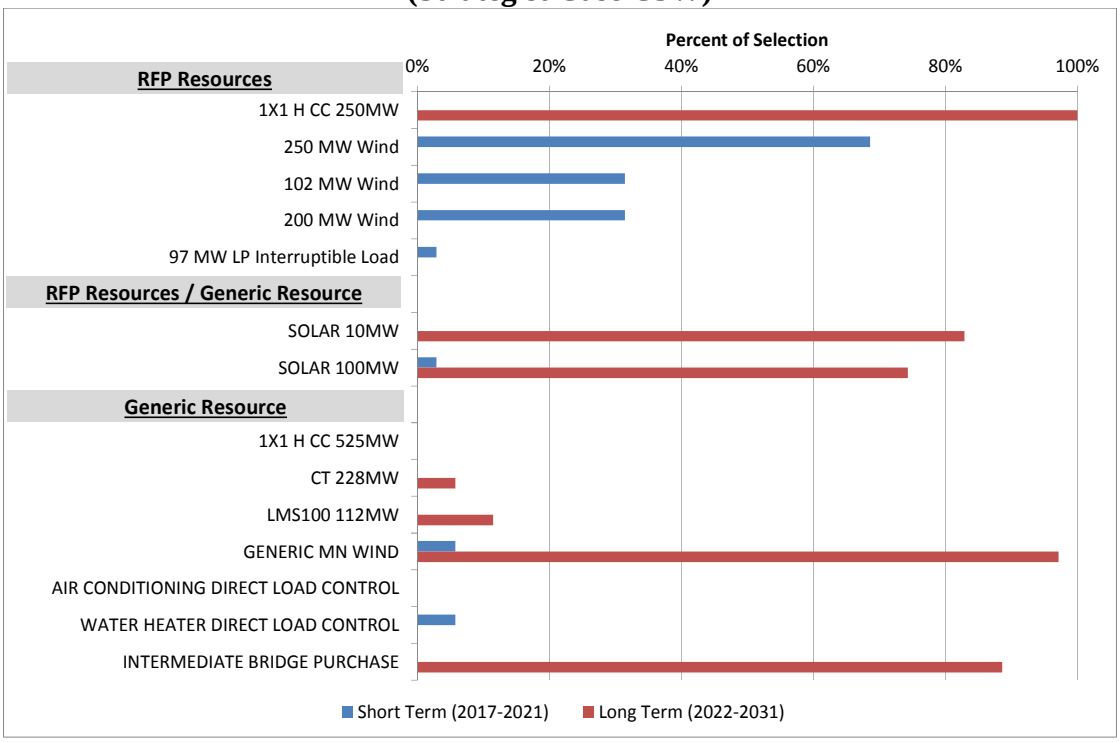
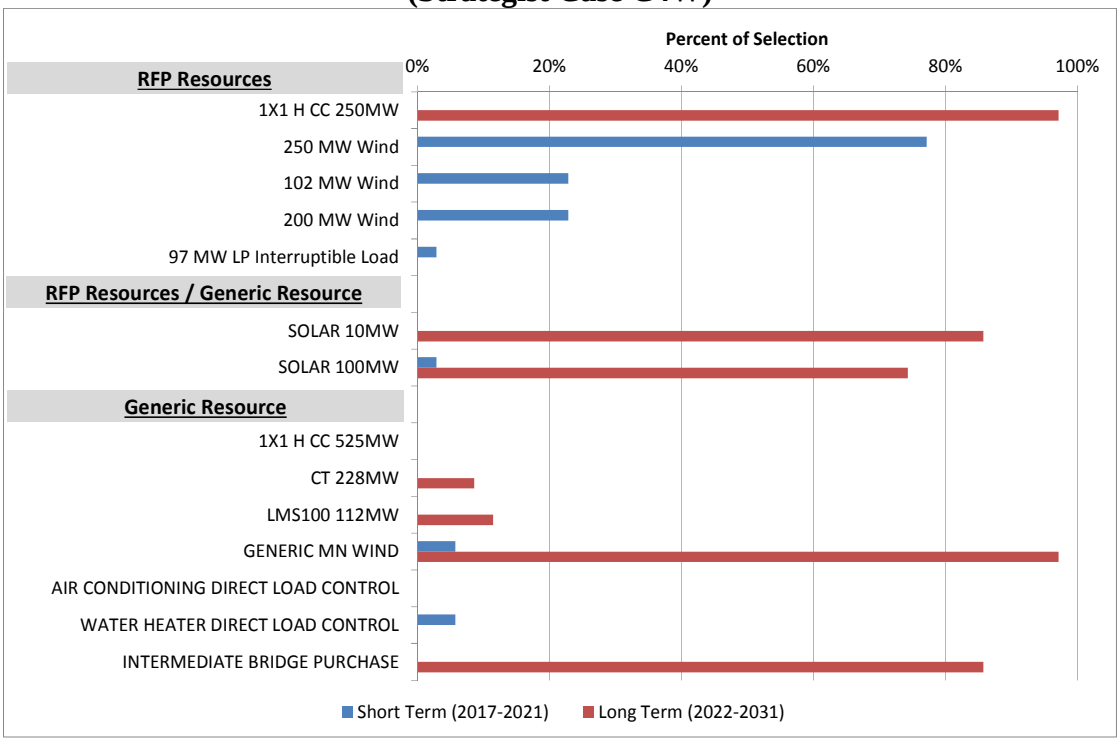


Figure 11: Step 1 Detailed Resource Analysis Expansion Plan Summary for Future 8 (Strategist Case C4W)



The following are some of the observations from Step 1 regarding the Strategist Proview results organized around a future and decisions common to all eight futures.

Observations Common to All/Most Futures:

- As shown in Figures 4 through 11, the 1X1 H CC 250MW is added at a very high frequency in 2025. It was selected across 95 to 100 percent of the sensitivities considered for each future, reflecting the need for dispatchable and efficient generation.
- With the exception of the carbon regulation scenarios for summer season (C3S & C4S), the 250 MW Wind project from the RFP was added at the highest frequency, reflecting an additional 250 MW of wind is optimal for customers when comparing the cost from adding 100 MW, 200 MW, 250 MW or 300 MW of wind generation from the RFP.
- Across all futures, the Intermediate Bridge Purchase was added at a high frequency, reflecting the benefit of using a short-term bilateral purchase to bridge to when resource additions are available for customers. In this evaluation, the Intermediate Bridge Purchase is used to bridge to the period when the 1x1 H CC 250 MW is available for customers.
- Across all futures, the CT 228MW was added in only 6 percent of the cases, reflecting the need for a more efficient energy resource with lower fuel prices than what can be provided by a combustion turbine.
- Across all futures, new utility-scale solar (10 MW and 100 MW) was added most often post-2030 to meet future demand growth. These results support Minnesota Power's conclusion that utility-scale solar remains uneconomical for customers in the short-term.
- Additional "generic" wind continues to show value in a future with carbon regulation. Absent of any carbon regulation, however, the "generic" wind was not selected by Strategist. Minnesota Power continues to evaluate the value of adding additional wind to the power supply while monitoring the excess energy (wind generation greater than Minnesota Power's demand) this creates on the system, including what impacts that might have on the transmission system and potential for investment in new transmission to facilitate the delivery of new wind.

Observation for Base Future and Summer Resource Adequacy Season (Future 1 and 2)

- CAC Cycling Peak Shave Program was added in over 50 percent of the sensitivities. Although, these are the only two futures where the CAC Program was added at a higher frequency, reflecting that the CAC Program provides value in only a few futures and is not an overall robust decision for customers.
- Generic wind beyond the 250 MW Wind from the RFP was added in less than 20 percent of the sensitivities, reflecting that without the extension of PTCs or a future with a

Carbon Regulation Penalty, additional wind might not be in the best interest of customers.

Observations for Carbon Regulation Future and Summer Resource Adequacy Season (Future 3 and 4)

- The 300 MW of wind from the RFP was added at a greater frequency than the 250 MW wind in these futures. Notably, these are the only two futures where the 300 MW of wind was added at a higher frequency, reflecting that adding 300 MW of wind provides value in only a few futures and is not an overall robust decision for customers.
- The 1x1 H CC 250 MW was added in 100 percent of the cases, reflecting that in future with carbon regulation penalties, the addition of a combined cycle resource is an economic and suitable resource for meeting customer demand.

Observation for Base and Carbon Regulation Future and Winter Resource Adequacy Season (Future 5 through 8)

- The resource added in the four winter resource adequacy scenarios was consistent with the observations discussed above in the "Observations Common to All/Most Futures" section. The 1x1 H CC 250MW and 250 MW Wind were added in nearly all cases.

The results from Step 1 helped the Company develop its Energy*Forward* Resource Package by assessing which resource alternatives were selected most often in the results shown above, with a focus on which resources were being selected from the RFP process. The results clearly showed the most selected resources from the RFP were the 250 MW share of a 1x1 combined cycle and 250 MW of wind. Solar was not selected often in the near-term during the time period where Minnesota Power received responses from the solar RFP. Solar was identified as economical for customers post-2030, which was after the combined cycle and wind from the RFP was selected by the Strategist model. For that reason, Minnesota Power recommends continuing to move forward with the communicated solar strategy to procure 10 MW solar from the RFP by 2020 to comply with the State Solar Energy Standard. Based on the Strategist analysis, the actions recommended by Minnesota Power are:

- Enter into a PPA for a 250 MW wind project located in southwestern Minnesota with energy delivery starting in 2020,

- Enter into a PPA for a 10 MW solar facility located in central Minnesota, in Minnesota Power's distribution system, with energy delivery starting in 2020, and

- Procure 250 MW of capacity and energy from the Nemadji Trail Energy Center ("NTEC") combined cycle project prior to 2025.

Swim Lane Comparative Analysis Result Details (Step 2)

This section provides the detailed results for the Step 2 swim lane comparative analysis, where Minnesota Power compared the Energy*Forward* Resource Package to three swim lane alternative paths that vary the quantity of renewable generation and the type of natural gas-fired generation. Details on the generation resources added in each of the swim lanes evaluated are discussed in Section 3.6 of the Petition.

Each swim lane alternative and the Energy*Forward* Resource Package were then put through a series of more than 30 sensitivities over eight futures that stressed the main drivers for resource decisions. These drivers include fuel, capital, additional EPA regulation, carbon sensitivities, and additional energy efficiency programs. The series of swim lanes were put through both scenarios with and without the Commission approved mid-carbon dioxide ("CO_2") regulation penalty and with and without an energy market to sell surplus energy into, resulting in 264 unique sensitivities. The base case scenarios (or futures) without an energy market to sell surplus energy into were created to delineate which resource decisions rely on revenue from the MISO market to be economical for customers. Relying on revenue from the market to make a resource decision least cost exposes customers to market volatility, which could result in a resource decision costing customers more if sale revenues do not materialize as expected. Overall, the sensitivities help determine which resource actions available today would be the best portfolio for customers.

Tables 3 through 10 show the results of the Step 2 analysis for the Energy*Forward* Resource Package and the three alternative swim lanes across the eight futures and sensitivities. When comparing the net present value of the power supply cost between the Energy*Forward* Resource Package and the alternative swim lanes the Energy*Forward* Resource Package was least cost in 244 (or 92%) of the sensitivities evaluated. Only the higher renewable penetration swim lane (P2) was least cost in a select few sensitivities that included the Social Cost of Carbon and the State Carbon penalty combined with lower wind cost sensitivities. It is important to note this analysis does not capture all potential cost impacts from adding significant amounts of wind to the system. One outcome from adding large volumes of wind to the power supply is excess energy, which occurs when wind generation is greater than Minnesota Power's demand after taking into consideration other "must-take" energy resources. In the higher renewable penetration (P2) swim lane, the excess energy is exceeding 3,000 GWh a year, nearly one-third of Minnesota Power's total demand. This large volume of wind energy could lead to additional transmission investment to facilitate delivering this energy to load along with MISO market congestion costs that are not captured in this analysis. It is prudent resource planning to monitor the volumes of excess energy being created in the power supply to ensure customers are not paying for energy that is not needed to meet their demand.

The results from Step 2 demonstrate the robustness of the Energy*Forward* Resource Package and support the conclusion that this package of resources is in the public interest across the majority of sensitivities, including higher gas prices, carbon regulations, and various customer demand outlooks.

Table 3: Step 2 Swim Lane Comparative Analysis for Future 1 (Strategist Case C1S)

		NPV Power Supply Cost 2017-2034 ($millions)			
Strategist Sensitivity Number	Sensitivities	EnergyForward Resource Package (P1)	75% Renewable Capacity (P2)	50% Renewable Capacity (P3)	Large Combustion Turbine (P4)
0	BASE	$5,995	$6,376	$6,224	$6,034
1	$9 CO2 2022	$6,238	$6,586	$6,432	$6,295
2	$34 CO2 2022	$7,181	$7,290	$7,267	$7,319
3	SOCIAL CO2	$9,525	$9,167	$9,284	$9,623
4	LOW COAL -30%	$5,609	$6,073	$5,884	$5,651
5	HIGH COAL +30%	$6,343	$6,696	$6,552	$6,398
6	LOWER GAS -50%	$5,834	$6,330	$6,148	$5,903
7	LOW GAS -25%	$5,916	$6,378	$6,181	$5,973
8	HIGH GAS +25%	$6,057	$6,424	$6,273	$6,099
9	HIGHER GAS +50%	$6,117	$6,476	$6,324	$6,162
10	HIGHEST GAS +100%	$6,249	$6,588	$6,440	$6,291
11	LOW EXTERNALITY	$5,840	$6,248	$6,085	$5,880
12	HIGH EXTERNALITY	$6,151	$6,504	$6,362	$6,188
13	NO EXTERNALITY	$5,778	$6,197	$6,030	$5,819
14	LOWER WHOLESALE MARKET	$5,750	$6,193	$6,024	$5,766
15	LOW WHOLESALE MARKET	$5,901	$6,296	$6,141	$5,926
16	HIGH WHOLESALE MARKET	$6,061	$6,447	$6,286	$6,112
17	HIGHER WHOLESALE MARKET	$6,105	$6,504	$6,332	$6,166
18	NO WHOLESALE MARKET	$6,363	$6,670	$6,544	$6,408
19	50% TIE LIMIT	$6,050	$6,437	$6,266	$6,096
20	NO MARKET TIERS OR SALES	$5,953	$6,325	$6,178	$5,986
21	2017 PRICES	$5,861	$6,312	$6,156	$5,903
22	-30% CAPITAL	$5,991	$6,358	$6,218	$5,998
23	+30% CAPITAL	$6,000	$6,395	$6,229	$6,070
24	$25 WIND	$5,995	$5,961	$5,986	$6,034
25	$30 WIND	$5,995	$6,044	$6,034	$6,034
26	$35 WIND	$5,995	$6,127	$6,081	$6,034
27	-20% WIND CAPACITY	$5,997	$6,378	$6,226	$6,035
28	AFR2016 HIGH	$6,186	$6,523	$6,397	$6,228
29	AFR2016 LOW	$5,911	$6,349	$6,150	$5,945
30	PRM +2%	$5,998	$6,380	$6,228	$6,036
31	MISO COINCIDENT -2%	$5,993	$6,374	$6,220	$6,032
32	MISO COINCIDENT +2%	$6,001	$6,382	$6,231	$6,038
33	EE +15GW	$6,000	$6,392	$6,230	$6,038
34	EE +30GW	$6,029	$6,448	$6,265	$6,066
Least Cost Count		**33**	**2**	**0**	**0**

Table 4: Step 2 Swim Lane Comparative Analysis for Future 2 (Strategist Case C2S)

		NPV Power Supply Cost 2017-2034 ($millions)			
Strategist Sensitivity Number	Sensitivities	EnergyForward Resource Package (P1)	75% Renewable Capacity (P2)	50% Renewable Capacity (P3)	Large Combustion Turbine (P4)
0	BASE	$5,997	$6,357	$6,210	$6,037
1	$9 CO2 2022	$6,249	$6,539	$6,423	$6,303
2	$34 CO2 2022	$7,198	$7,263	$7,247	$7,329
3	SOCIAL CO2	$9,525	$9,167	$9,284	$9,623
4	LOW COAL -30%	$5,616	$6,058	$5,881	$5,659
5	HIGH COAL +30%	$6,347	$6,650	$6,535	$6,401
6	LOWER GAS -50%	$5,846	$6,305	$6,140	$5,913
7	LOW GAS -25%	$5,924	$6,325	$6,173	$5,978
8	HIGH GAS +25%	$6,056	$6,396	$6,254	$6,097
9	HIGHER GAS +50%	$6,114	$6,439	$6,301	$6,155
10	HIGHEST GAS +100%	$6,241	$6,542	$6,410	$6,278
11	LOW EXTERNALITY	$5,849	$6,237	$6,080	$5,889
12	HIGH EXTERNALITY	$6,146	$6,477	$6,340	$6,184
13	NO EXTERNALITY	$5,790	$6,188	$6,027	$5,830
14	LOWER WHOLESALE MARKET	$5,751	$6,157	$6,006	$5,767
15	LOW WHOLESALE MARKET	$5,900	$6,270	$6,123	$5,925
16	HIGH WHOLESALE MARKET	$6,075	$6,434	$6,284	$6,125
17	HIGHER WHOLESALE MARKET	$6,136	$6,502	$6,346	$6,192
18	NO WHOLESALE MARKET	$6,363	$6,670	$6,544	$6,408
19	50% TIE LIMIT	$6,050	$6,437	$6,266	$6,096
20	NO MARKET TIERS OR SALES	$5,953	$6,325	$6,178	$5,986
21	2017 PRICES	$5,862	$6,294	$6,141	$5,904
22	-30% CAPITAL	$5,993	$6,338	$6,204	$6,001
23	+30% CAPITAL	$6,002	$6,376	$6,216	$6,073
24	$25 WIND	$5,997	$5,941	$5,973	$6,037
25	$30 WIND	$5,997	$6,024	$6,020	$6,037
26	$35 WIND	$5,997	$6,107	$6,068	$6,037
27	-20% WIND CAPACITY	$5,999	$6,359	$6,212	$6,038
28	AFR2016 HIGH	$6,187	$6,664	$6,384	$6,230
29	AFR2016 LOW	$5,914	$6,602	$6,172	$5,948
30	PRM +2%	$6,000	$6,361	$6,214	$6,038
31	MISO COINCIDENT -2%	$5,995	$6,354	$6,207	$6,035
32	MISO COINCIDENT +2%	$6,003	$6,364	$6,217	$6,040
33	EE +15GW	$6,002	$6,364	$6,217	$6,041
34	EE +30GW	$6,032	$6,404	$6,256	$6,068
Least Cost Count		**33**	**2**	**0**	**0**

Table 5: Step 2 Swim Lane Comparative Analysis for Future 3 (Strategist Case C3S)

		NPV Power Supply Cost 2017-2034 ($millions)			
Strategist Sensitivity Number	Sensitivities	EnergyForward Resource Package (P1)	75% Renewable Capacity (P2)	50% Renewable Capacity (P3)	Large Combustion Turbine (P4)
0	BASE	$6,700	$6,924	$6,839	$6,797
1	LOW COAL -30%	$6,344	$6,645	$6,495	$6,418
2	HIGH COAL +30%	$7,038	$7,221	$7,169	$7,159
3	LOWER GAS -50%	$6,517	$6,878	$6,744	$6,605
4	LOW GAS -25%	$6,612	$6,895	$6,797	$6,731
5	HIGH GAS +25%	$6,788	$6,952	$6,882	$6,856
6	HIGHER GAS +50%	$6,870	$6,996	$6,930	$6,918
7	HIGHEST GAS +100%	$6,997	$7,103	$7,043	$7,042
8	LOW EXTERNALITY	$6,654	$6,873	$6,790	$6,751
9	HIGH EXTERNALITY	$6,953	$7,128	$7,066	$7,058
10	NO EXTERNALITY	$6,594	$6,822	$6,735	$6,690
11	LOWER WHOLESALE MARKET	$6,353	$6,644	$6,552	$6,388
12	LOW WHOLESALE MARKET	$6,565	$6,819	$6,722	$6,630
13	HIGH WHOLESALE MARKET	$6,801	$7,021	$6,935	$6,916
14	HIGHER WHOLESALE MARKET	$6,870	$7,108	$7,006	$6,992
15	NO WHOLESALE MARKET	$7,055	$7,174	$7,133	$7,151
16	50% TIE LIMIT	$6,759	$6,959	$6,878	$6,860
17	NO MARKET TIERS OR SALES	$6,675	$6,851	$6,791	$6,746
18	-30% CAPITAL	$6,696	$6,905	$6,833	$6,761
19	+30% CAPITAL	$6,705	$6,943	$6,845	$6,833
20	$25 WIND	$6,700	$6,508	$6,601	$6,797
21	$30 WIND	$6,700	$6,591	$6,649	$6,797
22	$35 WIND	$6,700	$6,674	$6,696	$6,797
23	-20% WIND CAPACITY	$6,702	$6,926	$6,841	$6,798
24	AFR2016 HIGH	$6,965	$7,122	$7,080	$7,068
25	AFR2016 LOW	$6,583	$6,854	$6,733	$6,672
26	PRM +2%	$6,703	$6,928	$6,843	$6,799
27	MISO COINCIDENT -2%	$6,698	$6,924	$6,835	$6,795
28	MISO COINCIDENT +2%	$6,706	$6,931	$6,846	$6,801
29	EE +15GW	$6,701	$6,919	$6,842	$6,797
30	EE +30GW	$6,717	$6,960	$6,863	$6,809
Least Cost Count		**28**	**3**	**0**	**0**

Table 6: Step 2 Swim Lane Comparative Analysis for Future 4 (Strategist Case C4S)

		NPV Power Supply Cost 2017-2034 ($millions)			
Strategist Sensitivity Number	Sensitivities	EnergyForward Resource Package (P1)	75% Renewable Capacity (P2)	50% Renewable Capacity (P3)	Large Combustion Turbine (P4)
0	BASE	$6,715	$6,884	$6,824	$6,806
1	LOW COAL -30%	$6,361	$6,579	$6,489	$6,431
2	HIGH COAL +30%	$7,051	$7,177	$7,175	$7,167
3	LOWER GAS -50%	$6,541	$6,817	$6,736	$6,627
4	LOW GAS -25%	$6,632	$6,852	$6,785	$6,746
5	HIGH GAS +25%	$6,796	$6,919	$6,863	$6,862
6	HIGHER GAS +50%	$6,871	$6,959	$6,908	$6,920
7	HIGHEST GAS +100%	$6,996	$7,057	$7,014	$7,038
8	LOW EXTERNALITY	$6,669	$6,834	$6,776	$6,761
9	HIGH EXTERNALITY	$6,953	$7,073	$7,036	$7,056
10	NO EXTERNALITY	$6,612	$6,786	$6,724	$6,702
11	LOWER WHOLESALE MARKET	$6,355	$6,690	$6,519	$6,391
12	LOW WHOLESALE MARKET	$6,570	$6,757	$6,695	$6,633
13	HIGH WHOLESALE MARKET	$6,833	$7,002	$6,937	$6,938
14	HIGHER WHOLESALE MARKET	$6,923	$7,114	$7,049	$7,032
15	NO WHOLESALE MARKET	$7,055	$7,174	$7,133	$7,151
16	50% TIE LIMIT	$6,759	$6,959	$6,878	$6,860
17	NO MARKET TIERS OR SALES	$6,675	$6,851	$6,791	$6,746
18	-30% CAPITAL	$6,710	$6,865	$6,819	$6,770
19	+30% CAPITAL	$6,719	$6,903	$6,830	$6,842
20	$25 WIND	$6,715	$6,468	$6,587	$6,806
21	$30 WIND	$6,715	$6,551	$6,634	$6,806
22	$35 WIND	$6,715	$6,635	$6,682	$6,806
23	-20% WIND CAPACITY	$6,716	$6,886	$6,826	$6,807
24	AFR2016 HIGH	$6,973	$8,373	$7,064	$7,074
25	AFR2016 LOW	$6,601	$6,803	$6,722	$6,684
26	PRM +2%	$6,718	$6,888	$6,828	$6,808
27	MISO COINCIDENT -2%	$6,712	$6,882	$6,821	$6,804
28	MISO COINCIDENT +2%	$6,721	$6,891	$6,831	$6,810
29	EE +15GW	$6,716	$6,976	$6,867	$6,807
30	EE +30GW	$6,733	$6,917	$7,298	$6,820
Least Cost Count		**28**	**3**	**0**	**0**

Table 7: Step 2 Swim Lane Comparative Analysis for Future 5 (Strategist Case C1W)

		NPV Power Supply Cost 2017-2034 ($millions)			
Strategist Sensitivity Number	Sensitivities	EnergyForward Resource Package (P1)	75% Renewable Capacity (P2)	50% Renewable Capacity (P3)	Large Combustion Turbine (P4)
0	BASE	$5,993	$6,375	$6,219	$6,031
1	$9 CO2 2022	$6,235	$6,585	$6,427	$6,291
2	$34 CO2 2022	$7,178	$7,289	$7,261	$7,314
3	SOCIAL CO2	$9,521	$9,165	$9,277	$9,618
4	LOW COAL -30%	$5,606	$6,072	$5,880	$5,648
5	HIGH COAL +30%	$6,340	$6,694	$6,547	$6,394
6	LOWER GAS -50%	$5,832	$6,328	$6,144	$5,901
7	LOW GAS -25%	$5,914	$6,377	$6,177	$5,970
8	HIGH GAS +25%	$6,054	$6,422	$6,268	$6,095
9	HIGHER GAS +50%	$6,114	$6,474	$6,320	$6,158
10	HIGHEST GAS +100%	$6,246	$6,586	$6,436	$6,287
11	LOW EXTERNALITY	$5,837	$6,247	$6,081	$5,877
12	HIGH EXTERNALITY	$6,148	$6,503	$6,358	$6,185
13	NO EXTERNALITY	$5,775	$6,195	$6,025	$5,816
14	LOWER WHOLESALE MARKET	$5,748	$6,193	$6,021	$5,764
15	LOW WHOLESALE MARKET	$5,899	$6,295	$6,138	$5,923
16	HIGH WHOLESALE MARKET	$6,058	$6,445	$6,281	$6,108
17	HIGHER WHOLESALE MARKET	$6,103	$6,502	$6,327	$6,163
18	NO WHOLESALE MARKET	$6,360	$6,667	$6,537	$6,404
19	50% TIE LIMIT	$6,048	$6,435	$6,261	$6,092
20	NO MARKET TIERS OR SALES	$5,950	$6,323	$6,173	$5,983
21	2017 PRICES	$5,859	$6,311	$6,153	$5,901
22	-30% CAPITAL	$5,988	$6,356	$6,214	$5,995
23	+30% CAPITAL	$5,997	$6,394	$6,225	$6,067
24	$25 WIND	$5,993	$5,959	$5,982	$6,031
25	$30 WIND	$5,993	$6,042	$6,029	$6,031
26	$35 WIND	$5,993	$6,125	$6,077	$6,031
27	-20% WIND CAPACITY	$5,995	$6,377	$6,222	$6,032
28	AFR2016 HIGH	$6,184	$6,523	$6,396	$6,225
29	AFR2016 LOW	$5,907	$6,347	$6,146	$5,941
30	PRM +2%	$5,997	$6,380	$6,225	$6,033
31	MISO COINCIDENT -2%	$5,989	$6,372	$6,216	$6,028
32	MISO COINCIDENT +2%	$6,000	$6,382	$6,228	$6,035
33	EE +15GW	$5,997	$6,391	$6,226	$6,035
34	EE +30GW	$6,026	$6,446	$6,261	$6,062
Least Cost Count		**33**	**2**	**0**	**0**

Table 8: Step 2 Swim Lane Comparative Analysis for Future 6 (Strategist Case C2W)

		NPV Power Supply Cost 2017-2034 ($millions)			
Strategist Sensitivity Number	Sensitivities	EnergyForward Resource Package (P1)	75% Renewable Capacity (P2)	50% Renewable Capacity (P3)	Large Combustion Turbine (P4)
0	BASE	$5,995	$6,355	$6,206	$6,033
1	$9 CO2 2022	$6,246	$6,537	$6,419	$6,300
2	$34 CO2 2022	$7,195	$7,260	$7,242	$7,324
3	SOCIAL CO2	$9,521	$9,165	$9,277	$9,618
4	LOW COAL -30%	$5,613	$6,056	$5,877	$5,656
5	HIGH COAL +30%	$6,344	$6,648	$6,530	$6,397
6	LOWER GAS -50%	$5,844	$6,303	$6,136	$5,910
7	LOW GAS -25%	$5,922	$6,323	$6,168	$5,975
8	HIGH GAS +25%	$6,053	$6,394	$6,249	$6,093
9	HIGHER GAS +50%	$6,111	$6,437	$6,296	$6,152
10	HIGHEST GAS +100%	$6,237	$6,539	$6,405	$6,274
11	LOW EXTERNALITY	$5,846	$6,235	$6,075	$5,885
12	HIGH EXTERNALITY	$6,143	$6,475	$6,336	$6,181
13	NO EXTERNALITY	$5,787	$6,186	$6,023	$5,826
14	LOWER WHOLESALE MARKET	$5,749	$6,155	$6,003	$5,765
15	LOW WHOLESALE MARKET	$5,897	$6,268	$6,119	$5,922
16	HIGH WHOLESALE MARKET	$6,072	$6,431	$6,279	$6,121
17	HIGHER WHOLESALE MARKET	$6,133	$6,499	$6,340	$6,188
18	NO WHOLESALE MARKET	$6,360	$6,667	$6,537	$6,404
19	50% TIE LIMIT	$6,048	$6,435	$6,261	$6,092
20	NO MARKET TIERS OR SALES	$5,950	$6,323	$6,173	$5,983
21	2017 PRICES	$5,860	$6,292	$6,138	$5,901
22	-30% CAPITAL	$5,990	$6,336	$6,200	$5,997
23	+30% CAPITAL	$5,999	$6,374	$6,211	$6,069
24	$25 WIND	$5,995	$5,939	$5,968	$6,033
25	$30 WIND	$5,995	$6,022	$6,016	$6,033
26	$35 WIND	$5,995	$6,105	$6,063	$6,033
27	-20% WIND CAPACITY	$5,997	$6,357	$6,208	$6,035
28	AFR2016 HIGH	$6,186	$6,663	$6,383	$6,227
29	AFR2016 LOW	$5,911	$6,599	$6,168	$5,945
30	PRM +2%	$5,999	$6,360	$6,211	$6,035
31	MISO COINCIDENT -2%	$5,991	$6,351	$6,202	$6,030
32	MISO COINCIDENT +2%	$6,002	$6,363	$6,214	$6,038
33	EE +15GW	$5,999	$6,362	$6,213	$6,037
34	EE +30GW	$6,029	$6,402	$6,252	$6,065
Least Cost Count		**33**	**2**	**0**	**0**

Table 9: Step 2 Swim Lane Comparative Analysis for Future 7 (Strategist Case C3W)

		NPV Power Supply Cost 2017-2034 ($millions)			
Strategist Sensitivity Number	Sensitivities	EnergyForward Resource Package (P1)	75% Renewable Capacity (P2)	50% Renewable Capacity (P3)	Large Combustion Turbine (P4)
0	BASE	$6,698	$6,922	$6,834	$6,793
1	LOW COAL -30%	$6,342	$6,644	$6,490	$6,414
2	HIGH COAL +30%	$7,035	$7,220	$7,163	$7,154
3	LOWER GAS -50%	$6,515	$6,877	$6,740	$6,602
4	LOW GAS -25%	$6,610	$6,894	$6,792	$6,728
5	HIGH GAS +25%	$6,784	$6,951	$6,876	$6,852
6	HIGHER GAS +50%	$6,866	$6,995	$6,925	$6,913
7	HIGHEST GAS +100%	$6,992	$7,101	$7,038	$7,037
8	LOW EXTERNALITY	$6,651	$6,872	$6,785	$6,747
9	HIGH EXTERNALITY	$6,950	$7,127	$7,061	$7,054
10	NO EXTERNALITY	$6,592	$6,820	$6,729	$6,686
11	LOWER WHOLESALE MARKET	$6,351	$6,644	$6,549	$6,386
12	LOW WHOLESALE MARKET	$6,563	$6,818	$6,718	$6,626
13	HIGH WHOLESALE MARKET	$6,798	$7,020	$6,929	$6,912
14	HIGHER WHOLESALE MARKET	$6,868	$7,106	$7,000	$6,988
15	NO WHOLESALE MARKET	$7,052	$7,171	$7,126	$7,146
16	50% TIE LIMIT	$6,756	$6,957	$6,872	$6,856
17	NO MARKET TIERS OR SALES	$6,672	$6,849	$6,786	$6,742
18	-30% CAPITAL	$6,693	$6,904	$6,828	$6,757
19	+30% CAPITAL	$6,702	$6,941	$6,839	$6,829
20	$25 WIND	$6,698	$6,507	$6,596	$6,793
21	$30 WIND	$6,698	$6,590	$6,644	$6,793
22	$35 WIND	$6,698	$6,673	$6,691	$6,793
23	-20% WIND CAPACITY	$6,700	$6,925	$6,837	$6,794
24	AFR2016 HIGH	$6,962	$7,122	$7,078	$7,064
25	AFR2016 LOW	$6,579	$6,852	$6,728	$6,667
26	PRM +2%	$6,702	$6,927	$6,839	$6,795
27	MISO COINCIDENT -2%	$6,694	$6,921	$6,830	$6,790
28	MISO COINCIDENT +2%	$6,705	$6,932	$6,842	$6,797
29	EE +15GW	$6,698	$6,918	$6,837	$6,793
30	EE +30GW	$6,714	$6,959	$6,859	$6,805
Least Cost Count		**28**	**3**	**0**	**0**

Table 10: Step 2 Swim Lane Comparative Analysis for Future 8 (Strategist Case C4W)

		NPV Power Supply Cost 2017-2034 ($millions)			
Strategist Sensitivity Number	Sensitivities	EnergyForward Resource Package (P1)	75% Renewable Capacity (P2)	50% Renewable Capacity (P3)	Large Combustion Turbine (P4)
0	BASE	$6,712	$6,882	$6,819	$6,802
1	LOW COAL -30%	$6,358	$6,577	$6,485	$6,427
2	HIGH COAL +30%	$7,048	$7,174	$7,169	$7,162
3	LOWER GAS -50%	$6,539	$6,815	$6,731	$6,625
4	LOW GAS -25%	$6,630	$6,849	$6,780	$6,743
5	HIGH GAS +25%	$6,793	$6,916	$6,858	$6,857
6	HIGHER GAS +50%	$6,868	$6,956	$6,902	$6,915
7	HIGHEST GAS +100%	$6,991	$7,055	$7,008	$7,033
8	LOW EXTERNALITY	$6,666	$6,832	$6,771	$6,757
9	HIGH EXTERNALITY	$6,950	$7,071	$7,031	$7,052
10	NO EXTERNALITY	$6,610	$6,783	$6,719	$6,698
11	LOWER WHOLESALE MARKET	$6,354	$6,688	$6,516	$6,389
12	LOW WHOLESALE MARKET	$6,568	$6,755	$6,691	$6,630
13	HIGH WHOLESALE MARKET	$6,830	$6,999	$6,932	$6,934
14	HIGHER WHOLESALE MARKET	$6,920	$7,111	$7,042	$7,027
15	NO WHOLESALE MARKET	$7,052	$7,171	$7,126	$7,146
16	50% TIE LIMIT	$6,756	$6,957	$6,872	$6,856
17	NO MARKET TIERS OR SALES	$6,672	$6,849	$6,786	$6,742
18	-30% CAPITAL	$6,707	$6,863	$6,813	$6,766
19	+30% CAPITAL	$6,716	$6,900	$6,825	$6,838
20	$25 WIND	$6,712	$6,466	$6,582	$6,802
21	$30 WIND	$6,712	$6,549	$6,629	$6,802
22	$35 WIND	$6,712	$6,632	$6,677	$6,802
23	-20% WIND CAPACITY	$6,714	$6,884	$6,822	$6,804
24	AFR2016 HIGH	$6,971	$8,371	$7,062	$7,070
25	AFR2016 LOW	$6,598	$6,801	$6,717	$6,680
26	PRM +2%	$6,716	$6,887	$6,825	$6,804
27	MISO COINCIDENT -2%	$6,708	$6,878	$6,816	$6,799
28	MISO COINCIDENT +2%	$6,719	$6,890	$6,827	$6,807
29	EE +15GW	$6,713	$6,973	$6,862	$6,803
30	EE +30GW	$6,730	$6,915	$7,293	$6,816
Least Cost Count		**28**	**3**	**0**	**0**