

The United Illuminating Company

Rider SCEF Shared Clean Energy Facility Rider Pilot
Attachment 1: Terms and Conditions

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1. Definitions

These Terms and Conditions shall be a part of the Tariff and shall apply to the sale and purchase of energy and Renewable Energy Credits ("RECs") pursuant to an approved Enrollment form. Acceptance under this Tariff is subject to the fulfillment of all prerequisites for approval by the Department of Energy and Environmental Protection ("DEEP") through its March 2, 2017, Request for Proposals, approval of the Tariff, Terms and Conditions and Enrollment Form by the Public Utilities Regulatory Authority ("PURA") and certification via affidavit that the Subscriber Organization will comply with all provisions in the Tariff, including these Terms and Conditions.

- 1.1 "Alternative Compliance Payment" or "ACP" means the compliance rate for failure to meet the renewable portfolio standard ("RPS") specified in Section 16-244c of the General Statutes of Connecticut ("Conn. Gen. Stat.") (currently \$55 per REC), or any similar compliance rate established beyond 2020.
- 1.2 "Credit" means the monetized credit ultimately delivered to Subscribers by the EDC as determined by the Subscriber Organization as part of their bid in the RFP and approved by DEEP.
- 1.3 "Customer" means a retail electric account holder of an Electric Distribution Company.
- 1.4 "DEEP" or "Department" means the Connecticut Department of Energy and Environmental Protection and its successors.
- 1.5 "Delivery", "Deliver", Delivering, or "Delivered" means with respect to (i) energy, that energy produced by a Shared Clean Energy Facility that is recognized in the Independent System Operator of New England ("ISO-NE") settlement system as injected in the ISO-NE energy market at a specified and agreed upon pricing node within the service territory of the receiving EDC for the benefit of such EDC, and (ii) RECs, those RECs supplied via an irrevocable Forward Certificate Transfer (as defined in the GIS Operating Rules) to the receiving EDC in the NEPOOL GIS.
- 1.6 "Development Period Security" means collateral in the form of (a) cash or (b) a letter of credit issued by a Qualified Bank in a form reasonably acceptable to the EDC, which shall be provided by the Subscriber Organization to the EDC.

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- 1.7 “EDC-Managed Credit Mechanism” means the EDC delivers the monthly monetary Credit to a Subscriber on a monthly basis through the Subscriber’s electric bill with such EDC.
- 1.8 “Electric Distribution Company” or “EDC” has the same meaning as provided in Conn. Gen. Stat. §16-1.
- 1.9 “Enrollment Form” means the form required to be completed by the Subscriber Organization and submitted to the EDC once the project is selected by DEEP through the RFP process.
- 1.10 “Environmental Attributes” excludes electric energy and capacity produced, but means any other emissions, air quality, or other environmental attribute, aspect, characteristic, claim, credit, benefit, reduction, offset or allowance, howsoever entitled or designated, resulting from, attributable to or associated with the generation of energy, whether existing as of the effective date or in the future, and whether as a result of any present or future local, state or federal laws or regulations or local, state, national or international voluntary program, as well as any and all generation attributes under the Connecticut RPS regulations and under any and all other international, federal, regional, state or other law, rule, regulation, bylaw, treaty or other intergovernmental compact, decision, administrative decision, program (including any voluntary compliance or membership program), competitive market or business method (including all credits, certificates, benefits, and emission measurements, reductions, offsets and allowances related thereto) that are attributable, now or in the future; and further, means: (a) any such credits, certificates, benefits, offsets and allowances computed on the basis of the Facility’s generation using renewable technology or displacement of fossil-fuel derived or other conventional energy generation; (b) any Certificates issued pursuant to the NEPOOL GIS in connection with energy generated by the Facility; and (c) any voluntary emission reduction credits obtained or obtainable by Subscriber Organization in connection with the generation of energy by the Facility; provided, however, that Environmental Attributes shall not include: (i) any production tax credits; (ii) any investment tax credits or other tax credits associated with the construction or ownership of the Facility; or (iii) any state, federal or private grants relating to the construction or ownership of the Facility or the output thereof. If during the term, a change in laws or regulations occurs that creates value in Environmental Attributes, then at the EDCs request, the Subscriber Organization shall cooperate with the EDC to register such Environmental Attributes or take other action necessary to obtain the value of such Environmental Attributes for the EDC.

- 1.11 “Guaranteed In-Service Date” means the date the Shared Clean Energy Facility will begin commercial operation as proposed by the Subscriber Organization and approved by DEEP in the RFP process.
- 1.12 “Low- to moderate-income” or “LMI” means a financial condition wherein the gross annual income of the household of a Customer or Subscriber, or of a tenant of a Master-Metered Multi-unit Building, is eligible for any federal, state or local assistance program that limits participation to households whose income is at or below one hundred seventy five percent (175%) of the federal poverty limit, or is at or below eighty percent (80%) of the greater of (a) area median income or (b) state medium income at the time of subscription. Area Median Income Guidelines are posted annually by the Connecticut Department of Housing on its webpage for HUD Rent and Income Guidelines. State Median Income Guidelines are posted and updated annually by the Connecticut Department of Social Services.
- 1.13 “Market Price” means the hourly real-time Locational Marginal Price (as defined in the ISO New England Tariff) for energy at the pricing node plus 50 percent (50%) of the ACP for Prepaid RECs.
- 1.14 Master-Metered Multi-unit Building means a property or building, either privately-owned or municipally-owned, with one individual billing meter for the entire property or building and where the property owner is responsible to the EDC for the entire utility bill.
- 1.15 “Maximum Hourly Purchase Amount” means the maximum quantity (MWh per hour) payable at the Purchase Price for any hour. This quantity will be calculated as the product of the proposed nameplate capacity of the Shared Clean Energy Facility and the percentage to be sold to the EDC under the Shared Clean Energy Facility Pilot Program.
- 1.16 “Operating Period Security” means collateral in the form of (a) cash or (b) a letter of credit issued by a Qualified Bank in a form reasonably acceptable to the EDC, which shall be provided by the Subscriber Organization to the EDC.
- 1.17 “Payment” means the amount paid by the EDC to the Subscriber Organization to purchase the output of the Shared Clean Energy Facility, either through a direct payment from the EDC to the Subscriber Organization or through a Credit to Subscribers, or any combination thereof.
- 1.18 “Personally Identifiable Information” means information that can be used to distinguish or trace an individual’s identity, either alone or when combined with

other personal or identifying information that is linked or capable of being linked to a specific individual.

- 1.19 “Pilot Program” means the pilot program for the Shared Clean Energy Facilities authorized by the Public Act 15-113, *An Act Establishing a Shared Clean Energy Facility Pilot Program* (the “Act”) and as amended by Public Act 16-116, *An Act Concerning the Shared Clean Energy Facility Pilot Program*.
- 1.20 “Prepaid RECs” means RECs expected to be created in the future that are associated with Delivered Energy and paid for at the time of payment for Delivered Energy as part of the Purchase Price or Market Price, as applicable.
- 1.21 “Prospective Subscriber” means a potential Subscriber for a Subscriber Organization of a Shared Clean Energy Facility.
- 1.22 “PURA” or “Authority” means the Connecticut Public Utilities Regulatory Authority and shall include its successors.
- 1.23 “Purchase Price” means the price, as selected by DEEP in the RFP and approved by PURA, to be applied for subscribed Delivered Energy plus RECs.
- 1.24 “Qualifying RPS Class I Renewable Resource” means an order, decision or ruling from the Authority that qualifies a generation unit as a RPS Class I Renewable Energy Source, or that qualifies a portion of the annual electrical energy output of a generation unit as RPS Class I Renewable Generation (as defined in Conn. Gen Stat. § 16-1).
- 1.25 “Renewable Energy Certificate” or “REC” means a certificate and any and all other environmental attributes associated with the energy or otherwise produced by the Facility which satisfy the Renewable Portfolio Standards (“RPS”) under Section 16-245a of the General Statutes as a Qualifying RPS Class I Renewable Resource under Section 16-1 of the General Statutes, and shall represent title to and claim over all Environmental Attributes associated with the specified MWh of generation from such RPS Class I Renewable Resource.
- 1.26 “Request for Proposals” or “RFP” means the Request for Proposals dated March 2, 2017, under which DEEP determined the Subscriber Organizations and their associated Shared Clean Energy Facilities selected to participate in the Shared Clean Energy Facility Pilot Program.

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- 1.27 “Shared Clean Energy Facility” or “Facility” means a Class I renewable energy source, as defined in Conn. Gen. State. §16-1 and further defined in the RFP, that: (A) is served by an electric distribution company, as defined in Conn. Gen. Stat. §16-1, (B) is within the same EDC service territory as the individual billing meters and for subscriptions, and (C) has a nameplate capacity rating of at least 100 kW(AC) and no greater than 2,000 kW (AC).
- 1.28 “Subscriber” means an in-state retail end user of an EDC who (A) has contracted for a Subscription, (B) has identified an individual billing meter to which the Subscription shall be attributed and is not limited to any one class of retail end use customer and, (C) must have a vested interest in a Shared Clean Energy Facility through payment of a Subscription Fee.
- 1.29 “Subscribed Energy” means energy and RECs associated with subscribed output of a Shared Clean Energy Facility which shall be measured as the percentage of the estimated annual output from the Shared Clean Energy Facility that the Subscriber Organization has corresponding Subscribers to offtake such percentage under a Subscriber Agreement (as defined in the March 2, 2017, RFP).
- 1.30 “Subscriber Organization” means any for-profit or not-for-profit entity permitted by Connecticut law that (A) owns or operates one or more Shared Clean Energy Facilities for the benefit of the Subscribers, or (B) contracts with a third-party entity to build, own or operate one or more Shared Clean Energy Facilities. For purposes of this Tariff, Subscriber Organization shall only include those entities selected by DEEP in accordance with the RFP for participation in Pilot Program.
- 1.31 “Subscription” means a beneficial use of a Shared Clean Energy Facility, including, but not limited to, a percentage interest in the total amount of electricity produced by such facility as set forth in a Subscriber Agreement between the Subscriber Organization and the Subscriber.
- 1.32 “Tariff” means the Shared Clean Energy Facility Rider Pilot, including the Enrollment Form and Terms and Conditions as filed and approved by PURA.
- 1.33 “Terms and Conditions” means the Terms and Conditions provided in Attachment 1 as a part of the Tariff and shall apply to the sale and purchase of energy and RECs.

- 1.34 “Unsubscribed Energy” means the energy and RECs associated with a Shared Clean Energy Facility that remains unassigned under any Subscriber Agreement.

2. Term

- 2.1 Tariff Term: The term of service under the Tariff for each Facility under the Pilot Program shall not exceed twenty (20) years from the earlier of the actual In-Service Date or the Guaranteed In-Service Date. Service under the Tariff for a Facility with an in-service after the Guaranteed In-Service Date will only be allowed if the provisions in Section 3.3 and Section 6 are met.

3. Facility

- 3.1 Eligible Projects: The Shared Clean Energy Facility must be new and is not intended for existing resources. Projects already under construction at the time of this tariff filing are specifically excluded from the Pilot Program. The Facility may use federal subsidies, incentives or tax breaks, however; a proposal will not be eligible under this Pilot Program if the Facility receives any Connecticut EDC ratepayer funded incentives or subsidies, including but not limited to net metering, virtual net metering, LREC/ZREC contracts, direct incentives from the Connecticut Green Bank or the Conservation and Load Management program.

The facility is authorized to use loans or interest rate buy downs from the Connecticut Green Bank or the Conservation and Load Management program.

- 3.2 Project Requirements: The Shared Clean Energy Facility must be a Connecticut Class I renewable energy source, as defined in Conn. Gen. Stat. §16-1, that (i) is served by an electric distribution company, as defined in Conn. Gen. Stat. §16-1, (ii) is within the same EDC service territory as the individual billing meters and for subscriptions, and (iii) has a nameplate capacity rating of at least 100 kW (AC) and no greater than 2,000 kW (AC). The Subscriber Organization is to maintain at least ten (10) Subscriptions in the Facility throughout the term of enrollment in the tariff.

If the final as-built size of the Shared Clean Energy Facility exceeds the proposed nameplate capacity rating plus five percent (5%), the EDC’s purchase obligation shall be reduced from one hundred percent (100%) of the Shared Clean Energy Facility to a buyer’s percentage entitlement equal to the proposed nameplate capacity divided by the final as-built size of the Shared Clean Energy Facility. In such event, any energy and RECs not associated

with the buyer's percentage entitlement shall not be Delivered to the EDC, but rather shall remain the property of the Subscriber Organization.

- 3.3 In-Service Date: The "In-Service Date" means the date on which (i) the Subscriber Organization provides notice to the EDC that the Shared Clean Energy Facility is in service and the Shared Clean Energy Facility is capable of regular commercial operation and (ii) the EDC accepts such declaration. The Subscriber Organization shall provide the EDC with notice of the actual In-Service Date, as well as a final description of the Facility including its size, and Installed Capacity.

The Shared Clean Energy Facility must begin service no earlier than the date of PURA's final approval of the rates approved through the RFP process and no later than December 31, 2020.

If the Shared Clean Energy Facility is not In-Service within twelve (12) months of the Guaranteed In-Service Date, the Shared Clean Energy Facility will no longer be eligible for the Tariff, unless, prior to twelve (12) months within the Guaranteed In-Service Date, the Subscriber Organization (1) provides notice to the EDC of the potential Subscriber Organization default, (2) requests suspension of the ineligibility under the Tariff, and (3) posts additional Development Period Security, in an amount equal to \$20 per kW (AC) of the proposed nameplate capacity of the Shared Clean Energy Facility (i.e., Subscriber Organization must increase the amount of posted Development Period Security by one hundred percent (100%)). If the Subscriber Organization provides such notice and additional Development Period Security by such date, the Subscriber Organization shall have six (6) months to cure such Subscriber Organization default. If the Subscriber Organization does not cure such Subscriber Organization default within the six (6) additional months, the Shared Clean Energy Facility will become ineligible for the Tariff.

If the Shared Clean Energy Facility becomes ineligible for the Tariff due to a Subscriber Organization event of default, including failure to meet any of the Guaranteed In-Service Date requirements above, or if the final as-built size of the Shared Clean Energy Facility exceeds 2,000 kW (AC), the Development Period Security is forfeited and will not be returned to the Subscriber Organization.

4. Enrollment Process

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The Enrollment Form is contained in Attachment 2 to the Tariff and includes detailed instructions regarding completion and submission of the form. Please see those instructions for additional information.

- 4.1 Within fifteen (15) days of approval of the Purchase Price(s) by PURA, a Subscriber Organization must complete the Subscriber Organization Enrollment Form. The Enrollment Form will be available on the EDC's website and acceptance by PURA of the Purchase Prices must be provided to the EDC in order to be eligible to receive payments under this Tariff.
- 4.2 The Purchase Price(s) approved by PURA will be used to pay the Subscribers for the Delivered Subscribed Energy. Acceptance under this Tariff is subject to the fulfillment of all prerequisites for approval by DEEP, approval of this Rider by PURA and certification via affidavit that the Subscriber Organization will comply with all provisions in the Tariff, including the Terms and Conditions.
- 4.3 An applicant who qualifies for service as a Subscriber Organization under this Rider shall submit its initial designation (i.e., a list) of Subscribers to the EDC (see Appendix 2 of the Enrollment Form) in writing at least one hundred twenty (120) days prior to the In-Service Date of the Facility.

5. Security

- 5.1 Subscriber Organizations will be required to post Development Period Security and Operating Period Security. The required level of Development Period Security is twenty dollars (\$20) per kW (AC) of the proposed nameplate capacity of the facility. The Development Period Security must be provided to the EDC no later than fifteen (15) days following PURA's approval of the Purchase Price(s) filed by DEEP. Development Period Security will be returned to the Subscriber Organization thirty (30) days after the later of (i) the EDC verifies that the Facility has achieved commercial operation, or (ii) the EDC's receipt of the full amount of Operating Period Security (except to the extent that Development Period Security is converted into Operating Period Security).
- 5.2 No more than thirty (30) days after the facility achieves commercial operation, the Subscriber Organization will be required to provide Operating Period Security in an amount equal to the ACP multiplied by fifty (50%) of the expected annual production of the facility (in MWh). This amount is intended to secure the Prepaid RECs included in the Purchase Price or to cure any conditions of default. The Subscriber Organization may convert Development Period Security to Operating Period Security.

5.3 If the EDC draws on Development Period Security or Operating Period Security for any reason, the Subscriber Organization must replenish such security within ten (10) business days.

5.4 Any unused Operating Period Security shall be returned to the Subscriber Organization only after any such Operating Period Security has been used to satisfy any outstanding obligations of the Subscriber Organization in existence at the end of the term of the Tariff.

6. Prerequisites for Purchases

Obligation: The EDCs obligation to begin the purchase of energy and RECs from a Shared Clean Energy Facility at the Purchase Price(s) accepted by DEEP and approved by PURA is contingent upon the satisfaction of all of the following conditions:

6.1 The Subscriber Organization is either: (i) the owner of a Shared Clean Energy Facility with project site control, or (ii) an Authorized Developer of a Shared Clean Energy Facility with site control;

6.2 EDC has received evidence to its reasonable satisfaction that Subscriber Organization has met the requirements of Section 4;

6.3 The EDC has received evidence to its reasonable satisfaction that the Facility's in-service date has occurred prior to December 31, 2020;

6.4 Subscriber Organization has demonstrated that the Facility is interconnected to the distribution system of the EDC;

6.5 The Facility has a fully executed Interconnection Agreement;

6.6 Subscriber Organization has provided security that satisfies the requirements consistent with Section 5;

6.7 The Subscriber Organization has received regulatory approval of the Purchase Prices;

6.8 If the EDC has received approval from PURA to recover costs associated with the Pilot Program at the sole discretion of the EDCs;

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- 6.9 The Subscriber Organization has provided certification that the Facility has not received any Connecticut ratepayer-funded incentives or subsidies, including but not limited to, net metering, virtual net metering, LREC/ZREC contracts, or direct incentives from the Connecticut Green Bank or the Conservation and Loan Management program;
- 6.10 The Subscriber Organization has provided a notice certifying (i) that generation from the Facility that will result in qualifying RECs has begun, (ii) the name of the Facility as it will appear on the RECs, (iii) the dates when the initial Energy and REC deliveries to the EDC are expected, (iv) the Facility, as constructed, meets all of the generation facility requirements of the Act, and (v) the final Facility size.
- 6.11 The Subscriber Organization has provided notice that the facility is in-service, within ten (10) business days of such in-service date. The final Facility size shall be based on the Facility's as-built configuration.
- 6.12 The Subscriber Organization shall be solely responsible for qualifying the Shared Clean Energy Facility with the Authority as a RPS Class I Renewable Energy Source in accordance with Conn. Gen. Stat. § 16-1(a)(26) and maintaining such Connecticut Class I RPS Qualification throughout the term of the Tariff; provided, however, that if the Shared Clean Energy Facility ceases to qualify as a RPS Class I Renewable Energy Source solely as a result of a change in law, EDC shall only be required to use commercially reasonable efforts to maintain such qualification after that change in law. The Subscriber Organization shall provide EDC with any information that may be required by EDC in order to facilitate receipt of RECs from the Shared Clean Energy Facility.
- 6.13 If the statutory and/or regulatory framework governing RECs in effect as of the Effective Date of the Tariff is amended or suspended by any Governmental Authority and/or is otherwise no longer in force (collectively, a "Change" in the regulatory framework), EDC may choose to qualify the Shared Clean Energy Facility in another state or federal program, whether for renewable energy certificates or other Environmental Attributes, and the Subscriber Organization shall at such time provide to EDC any documentation and other support as may be needed for such qualification. If during the term of enrollment, a change in Connecticut laws or regulations occurs that creates value in Environmental Attributes, then at EDC's request, the Subscriber Organization shall cooperate with EDC to register such Environmental Attributes or take other action necessary to obtain the value of such Environmental Attributes for Buyer. "Governmental Authority" means the federal government, any state or local

government or other political subdivision thereof (whether federal, state or local), any court and any administrative agency or other regulatory body, instrumentality, authority or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

- 6.14 The Subscriber Organization has completed an application and the EDC has accepted such application.

7. Purchase Obligation and Pricing

- 7.1 The EDCs shall purchase the Delivered Subscribed Energy inclusive of Prepaid RECs, from each of the selected Shared Clean Energy Facilities up to the Maximum Hourly Purchase Amount at the Purchase Price(s) approved by PURA. Upon Delivery of the energy and RECs, ownership of the energy and RECs shall transfer to the EDCs.
- 7.2 Compensation for all Unsubscribed Energy Delivered by the Shared Clean Energy Facility shall be paid by the EDC at the Market Price. This pricing mechanism is intended to provide a clear incentive for the Subscriber Organization to maximize subscriptions and minimize excess energy being sold to the EDCs at non-market prices.
- 7.3 All Energy purchased and sold under this Tariff must be Delivered to the applicable ISO-NE node on behalf of the EDC. The Subscriber Organization is responsible for all costs associated with scheduling and Delivery of the Facility's energy to the applicable ISO-NE node. The EDC will not be responsible for any costs associated with such delivery, including but not limited to, wheeling charges.
- 7.4 The payment by the EDC for Prepaid RECs creates a firm obligation on the part of the Subscriber Organization to Deliver RECs associated with the Delivered Energy at the time they are produced in the NEPOOL GIS. It is the Subscriber Organization's responsibility to (i) ensure that the Shared Clean Energy Facility is qualified and registered as a Connecticut Class I renewable energy source, and (ii) that all RECs associated with Delivered energy are Delivered in a timely manner upon creation in the NEPOOL GIS. An EDC's obligation to purchase the Delivered energy and RECs from the Shared Clean Energy Facility is contingent upon the Subscriber Organization complying with the Tariff.
- 7.5 If the Shared Clean Energy Facility fails to qualify or Deliver the Prepaid RECs associated with the Delivered energy, the EDC will recover the cost of those Undelivered RECs by (i) first, netting an amount equal to the ACP multiplied by

the quantity of Prepaid RECs not Delivered from the next monthly payment(s) to be made to the Subscriber Organization (but not from the next monthly payment(s) made to Subscribers); (ii) second, by billing the Subscriber Organization the ACP multiplied by the quantity of Prepaid RECs not Delivered; and, (iii) finally, if (i) or (ii) do not result in timely reimbursement, by drawing down on the Operating Period Security at an amount equal to the ACP multiplied by the quantity of Prepaid RECs not Delivered.

- 7.6 Failure to meet the LMI requirements established in Section 9, will result in any such Delivered Energy and Prepaid RECs to be treated as Unsubscribed Energy. A deficiency charge will be assessed to the Subscriber Organization equal to the amount (if positive) by which the Purchase Price exceeds the Market Price. Such deficiency charge shall be paid for: (i) first, by billing the Subscriber Organization the deficiency charge; and, (ii) if (i) does not result in timely payment, by drawing down on the Operating Period Security.
- 7.7 Any Delivered Energy above the Maximum Hourly Purchase Amount or any Unsubscribed Delivered Energy will be paid directly to the Subscriber Organization at the Market Price.
- 7.8 A Subscriber Organization may not reduce the Subscriber Credit at any point during the Term of the Tariff because the Subscriber Organization received such unsubscribed output price, rather than the Purchase Price rate, resulting from any of the above situations.
- 7.9 If at March 31 of any given year a Subscriber has a credit balance on their bill, the EDC will return the credit balance to the Subscriber by check.
- 7.10 Any payments made directly to the Subscriber Organization will be made by electronic funds transfer, or by other mutually agreed upon method(s) by the end of the month following the month of Delivery.

8. Credit Mechanism

- 8.1 Within one hundred twenty (120) days prior to the In-Service Date of the Shared Clean Energy Facility, the Subscriber Organization is responsible for providing information to the EDC using the form in Appendix 2 of the Enrollment Form, which includes, but is not limited to the names, addresses, customer account number, and historic average annual electric use for each Subscriber participating in the Shared Clean Energy Facility, along with the fixed allocation percentage to be credited to each Subscriber. The EDC will

credit the Subscriber or the Subscriber Organization based the Subscriber's share of the actual Delivery from the Shared Clean Energy Facility at the Purchase Price approved by PURA. The Subscriber Organization must immediately report in writing, using Appendix 3 of the Enrollment Form, any revisions to such list, including, but not limited to, additions to or terminations of Subscriptions. All additions and terminations will take effect during the next billing cycle.

- 8.2 EDC-Managed Credit Mechanism: Under an EDC-Managed Credit, the EDC delivers the monetary Credit to a Subscriber on a monthly basis through the Subscriber's electric bill with such EDC. A Credit must be monetized and cannot net out a Subscriber's bill from the EDC on a kWh basis.
- 8.3 The unsubscribed Delivered output, including any unsubscribed output below the LMI requirements or any Delivered Energy above the Maximum Hourly Purchase Amount will be paid in accordance with Section 7 above.

9. Subscribers

- 9.1 Requirements: A Subscriber Organization must have Subscribers sufficient to meet the estimated annual kWh output of the Shared Clean Energy Facility based on the Subscribers' historic annual energy use.

It is the responsibility of the Subscriber Organization to maintain at least fifty percent (50%) subscribed as a percentage of total energy produced. In a given month, if Subscription levels fall below that percentage, the Subscriber Organization must inform DEEP within thirty (30) days. If the Subscriber Organization fails to maintain a Subscription level of fifty percent (50%) for twelve (12) consecutive months they will be subject to default provisions in Section 14.

- 9.2 Subscriber Eligibility: Each Shared Clean Energy Facility must have at least ten subscribers. Both the Shared Clean Energy Facility and the individual billing meters of all of its Subscribers must be located within the service territory of the EDC territory whose tariff is being used.

Subscriber Organizations must maintain for the term of their enrollment in the Tariff, a Subscriber base with at least twenty percent (20%) of LMI Subscribers (based on the estimated annual output the Shared Clean Energy Facility) as defined in Section 1.12. The remaining eighty percent (80%) can be from any rate class with any income levels. If the twenty percent (20%) threshold is not

maintained, the Subscriber Organization will be subject to the provisions in Section 7.6.

A Subscriber may not have a Subscription that exceeds forty percent (40%) of the estimated annual output of the Shared Clean Energy Facility based on the most recent two (2) historic average annual electric use of such Subscriber.

Subscriptions by commercial and/or industrial customers may not exceed sixty percent (60%) of the estimated annual output of the Shared Clean Energy Facility in the aggregate.

9.3 Subscription Limitations: A Subscriber may only have one subscription to one Shared Clean Energy Facility with one Subscriber Organization under this Pilot Program.

9.4 Reporting Requirements: The Subscriber Organization is responsible for providing information to the EDC with the Enrollment Form using the form included in Appendix 2 of such Enrollment Form, which includes customer names, address, account number and Subscriber allocation percentages for each Subscriber participating in the Shared Clean Energy Facility. The Subscriber Organization is responsible for immediately reporting any revisions to the monthly list, including, but not limited to, additions to or terminations of Subscriptions. Any changes to the Subscriber listing will take effect during the next billing cycle.

The Subscriber Organization is responsible for providing the EDC an affidavit indicating that the Subscriber Organization has verified eligibility for those Subscribers that have been identified as LMI.

Subscriber Organizations must abide by all reporting requirements required by DEEP.

10. Metering and Interconnection

10.1 Metering: All electric metering associated with the Facility, including the Facility meter and any other real-time meters, billing meters and back-up meters (collectively, the "Meters"), shall be installed, operated, maintained and tested at the Subscriber Organization's expense in accordance with Good Utility Practice and any applicable requirements and standards issued by the Interconnecting Utility, ISO-NE and NEPOOL GIS; provided that each Meter shall be tested at Seller's expense at least once each year. The Shared Clean Energy Facility shall be responsible for all costs associated with such metering

consistent with all applicable standards and requirements. Readings of the Meters at the Facility by the Interconnecting Utility in whose territory the Facility is located (or an independent Person mutually acceptable to the Parties) shall be conclusive as to the amount of Energy generated by the Facility. The Subscriber Organization shall make such hourly meter data available to the EDC at no cost.

10.2 Interconnection Agreement: The Shared Clean Energy Facility shall comply with the terms and conditions of the Interconnection Agreement. The Facility shall be responsible for all costs and expenses associated with the interconnection of the Facility consistent with all standards and requirements set forth by the EDC.

11. Covenants, Representations and Warranties

11.1 Subscriber Organization: On and as of the effective date, and upon Delivery, the Subscriber Organization hereby covenants, represents and warrants to the EDC as follows:

- The Subscriber Organization has and, at all times during the term will have, all necessary power and authority to execute, deliver and perform its obligations hereunder;
- To the Subscriber Organization's knowledge, there is no pending or threatened litigation, arbitration or administrative proceeding that materially adversely affects the Subscriber Organization's ability to perform its obligations under the tariff;
- The Subscriber Organization is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt.

11.2 EDC: On and as of the effective date, and upon Delivery, the EDC hereby covenants, represents and warrants to the Subscriber Organization as follows:

- The EDC has and, at all times during the term will have, all necessary power and authority to execute, deliver and perform its obligations hereunder;
- To the EDC's knowledge, there is no pending or threatened litigation, arbitration or administrative proceeding that materially adversely affects the EDC's ability to perform its obligations under the tariff;
- The EDC is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt.

11.3 Additional Covenants: On, as of the effective date, and upon Deliver, the Subscriber Organization hereby represents and warrants to the EDC as follows:

- At the time of Delivery, the Subscriber Organization shall convey title to any and all of the Energy and RECs Delivered to the EDC in accordance with the Tariff and Terms and Conditions. The Energy and RECs must be free and clear of any and all liens or other encumbrances or title defects and the Subscriber Organization further represents that any and all of the Energy and RECs represent generation from a facility that has been qualified by the Authority as eligible to produce RECs pursuant to the Renewable Portfolio Standard and that such Facility is substantially as described in the RFP. Upon each Delivery, the Subscriber Organization warrants to the EDC that (A) it has sold and transferred the Energy and RECs once and only once exclusively to the EDC; (B) the RECs and any other Environmental Attributes sold hereunder have not expired and have not been, nor will be sold, retired, claimed or represented as part of electricity output or sale, or used to satisfy any renewable energy or other carbon or renewable generation attributes obligations under the RPS or in any other jurisdiction; (C) that it has made no representation in writing or otherwise, that any third-party has received, or has obtained any right to, such RECs that are inconsistent with the rights being acquired by the EDC hereunder, including, but not limited to, any right to use the RECs to meet the renewable energy requirements in any other state or jurisdiction, or any other renewable energy program; and (D) the RECs, as applicable, meet statutory requirements as they existed as of the effective date.
- The Subscriber Organization warrants that as of the initial Delivery date and continuing thereafter, the Facility will be qualified to produce Connecticut Class I Renewable Energy Credits that meet the requirements of the program.
- The Subscriber Organization warrants that it is an Account Holder as defined in the NEPOOL GIS Operating Rules. It also covenants that it shall not change the Facility, as described in the RFP, without previous written consent of DEEP and the EDC.

12. Regulatory Approval and Cost Recovery

12.1 Regulatory Approval: The EDC will not provide credits or payments until PURA approves the Purchase Prices accepted during DEEP's RFP process. If PURA does not approve the Purchase Prices, the EDC will not be obligated to pay credits or make payments at the RFP price and must wait for approved Purchase Prices from PURA.

12.2 EDC Cost Recovery: The EDCs will be allowed to recover reasonable and prudently incurred costs and fees associated with billing, customer service and other costs if approved by PURA through the Non Bypassable Federally Mandated Congestion Charge.

13. Assignment

13.1 Prohibition on Assignments. Except as permitted under this Section, the Shared Clean Energy Facility may be assigned by the Subscriber Organization, unless the EDC notifies the Subscriber Organization in writing, within thirty (30) days of receipt of written notice of Subscriber Organization's intent to make an assignment, that the EDC has reasonably determined that such assignment will have a material adverse effect on the Subscriber Organization's creditworthiness or ability to perform its obligations under this Tariff and notifies the Subscriber Organization in writing that the EDC does not consent to the assignment. When assignable, this Tariff shall be binding upon, shall inure to the benefit of, and may be performed by, the successors and assignees of the parties, except that no assignment, pledge or other transfer of this by either Party shall operate to release the assignor, pledger, or transferor from any of its obligations under this Tariff unless the other Party (or its successors or assigns) consents in writing to the assignment, pledge or other transfer and expressly releases the assignor, pledger, or transferor from its obligations thereunder.

13.2 Assignments by Subscriber Organization. The Subscriber Organization may pledge or assign the Facility or the revenues under this Tariff to any Lender as security for the project financing or tax equity financing of the Facility; provided, however, that the Facility shall remain at all times located at the original site.

13.3 Change of Control over Subscriber Organization. The EDC's consent shall be required for any "Change of Control" (as defined below) over the Subscriber Organization. The EDC's consent shall be deemed provided within forty-five (45) days of the EDC's receipt of the Subscriber Organization's notice of its

intent to Change Control unless the EDC notifies the Subscriber Organization in writing, within thirty (30) days of receipt of the Subscriber Organization's written notice of intent to make a Change of Control, that the EDC has reasonably determined that such a Change of Control will have a material adverse effect on the Subscriber Organization's creditworthiness or the Subscriber Organization's ability to perform its obligations under this Tariff and that the EDC does not consent to such Change of Control. If the EDC does not consent to a Change of Control requested by the Subscriber Organization resulting from a bona-fide, good faith transaction entered into by the Subscriber Organization for a Change of Control within such forty-five day (45 day) period, the Subscriber Organization may withdraw their request to be included in this program upon sixty (60) days' notice to the EDC. For the purposes of this Section, "Change of Control" shall mean either (a) change in ownership of more than fifty percent (50%) of the equity interest of the Subscriber Organization in the Facility, either directly or indirectly, or (b) a change of control in fact of the Subscriber Organization.

13.4 Permitted Assignment by the EDC. The EDC shall have the right to assign this Tariff without consent of the Subscriber Organization in connection with any merger, consolidation, exchange of all of the common stock or other equity interests or other similar transactions involving the EDC that is approved by the Authority.

13.5 Prohibited Assignments. Any purported assignment of this Agreement not in compliance with the provisions of this Section shall be null and void.

14. Default

14.1 Events of Default: An "Event of Default" shall mean, with respect to a party (a "Defaulting Party"), the occurrence of any of the following:

- If a Party materially breaches any or all of its obligations as described in the Tariff and Terms and Conditions and such breach is not cured within twenty (20) business days of written notice;
- If any representation or warranty or covenant made by a Party proves to have been misleading or false in any material respect when made;
- If a party becomes bankrupt.

14.2 Subscriber Organization Events of Default: An "Event of Default" shall also mean, with respect to a Subscriber Organization, the occurrence of any of the following:

- If the Subscriber Organization, on behalf of or associated with the Shared Clean Energy Facility, receives, or has received, EDC ratepayer funded incentives or subsidies, such as net metering, virtual net metering, an LREC/ZREC contract, or a grant or rebate from Connecticut Green Bank or either of its predecessors, CEFIA or CCEF, or any successor agency or fund (subject to the clarifications in Section 3);
- If the Subscriber Organization fails to satisfy any and all of the conditions set forth in the Tariff, including the Terms and Conditions contained herein;
- If the Shared Clean Energy Facility is not In-Service within twelve (12) months of the Guaranteed In-Service Date as may be extended in accordance with Section 3.3;
- If the Subscriber Organization fails to deliver any Energy or RECs from the Facility to the EDC for twenty four (24) consecutive months;
- If the Subscriber Organization fails to maintain a Subscription level of at least fifty percent (50%) for twelve (12) consecutive months;
- If the Subscriber Organization fails to maintain a Subscription level of at least ten (10) Subscriptions in the Facility for twelve (12) consecutive months;
- If PURA, or its successor organization, rules a Subscriber Organization to be ineligible under the tariff for any reason, including, but not limited to, the Subscriber Organization's failure to deliver Credits to its Subscribers as outlined in their proposal that was selected by DEEP;
- If the Subscriber Organization fails to operate the facility approved in DEEP's RFP selection process, which includes, but is not limited to, differences in location, size and type; or
- If a final individual Facility is less than 100 kW (AC) or greater than 2,000 kW (AC).

15. Remedies Upon Default

15.1 Remedies: Upon the occurrence and continuation of an Event of Default, the other Party (the "Non Defaulting Party") may (i) terminate the relationship upon written notice to the Defaulting Party, and/or (ii) withhold any payments due to the extent of its damages.

15.2 If the Shared Clean Energy Facility is not In-Service within twelve (12) months of the Guaranteed In-Service date provided in the RFP and the Enrollment Form, the Shared Clean Energy Facility will no longer be eligible for the Tariff, unless, prior to twelve months within the Guaranteed In-Service Date, the Subscriber Organization provides notice to the EDC of the potential Subscriber

Organization default, requests suspension of the ineligibility under the Tariff, and posts an additional security equal to two times the Development Period Security (i.e., Subscriber Organization must increase the amount of posted Development Period Security by one hundred percent (100%)). If the Subscriber Organization provides such notice and additional security by such date, the Subscriber Organization shall have six (6) additional months to cure such Subscriber Organization default. If the Subscriber Organization does not cure such Subscriber Organization default within the six (6) additional months, the Shared Clean Energy Facility will become ineligible for the Tariff and the Development Period Security will be retained by the EDC.

- 15.3 Suspension: Notwithstanding any other provisions, if an Event of Default has occurred and is continuing, the Non-Defaulting Party may, on notice to the other Party, suspend performance of its obligation to deliver and sell, or receive and purchase energy and/or RECs until such Event of Default is cured; provided, however, that any suspension shall not exceed the Delivery Term period. Any such suspension shall be without prejudice to any remedy provided herein or otherwise available at law or in equity, including the right to subsequently terminate under Section 14.

16. Force Majeure

- 16.1 This means any cause beyond the reasonable control of, and not due to the fault or negligence of the affected Party, and which could not have been avoided by the affected Party's reasonable due diligence, or was not caused by the affected Party, including, as applicable, war, terrorism, riots, embargo or national emergency, curtailment of electric distribution services; fire, flood, windstorm, earthquake or other acts of God; strikes, lockouts or other labor disturbances (whether among employees of Subscriber Organization, its suppliers, contractors, or others); delays, failure, and/or refusal of suppliers to supply materials or services; orders, acts or omissions of the NEPOOL GIS Administrator, as applicable; or any other cause of like or different kind, beyond the reasonable control of the Subscriber Organization or Subscriber

17. Limitation of Liability

- 17.1 With respect to any liability hereunder, neither the Subscriber Organization or Subscriber nor EDC shall be liable to the other for any consequential, incidental, punitive, exemplary or indirect damages, lost profits, or business interruption damages, whether by statute, in tort or in contract, under any indemnity provision or otherwise.

18. Dispute Resolution

- 18.1 Except as otherwise expressly set forth herein, for any and all disputes or issues, the Parties shall refer to this Section 18. A Party must respond to the other Party's notice concerning a disputed issue within ten (10) business days of first notification unless otherwise specified in this Agreement.
- 18.2 Any Party may give the other Party notice of any dispute not resolved in the normal course of business ("Initial Notice"). A copy of the Initial Notice shall also be given to the Authority. Such Initial Notice shall include: (a) a statement of that Party's position and a summary of arguments supporting that position; and (b) the name and title of the executive who will be representing that Party and of any other person who will accompany the executive. Within five (5) business days after delivery of the Initial Notice, the receiving Party shall respond with: (a) a statement of that Party's position and a summary of arguments supporting that position; and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within fifteen (15) business days after delivery of the Initial Notice, representatives of both Parties and, at the Parties request, shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one Party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable to resolve the dispute within sixty (60) business days after the delivery of the Initial Notice, a Party may petition the Authority to initiate a proceeding to resolve the dispute. The Parties should report to the Authority any resolution of disputes agreed to by the Parties within five (5) business days of said agreement.
- 18.3 The Parties agree that all disputes or issues arising out of this Agreement shall be brought to the Authority for resolution of the dispute or issues as provided in this Section 18. The Parties waive their right to bring disputes or issues to any other forum except as provided in the Uniform Administrative Procedures Act, Conn. Gen. Stat. § 4-166, et seq.(c).
- 18.4 Allocation of Dispute Costs. Each Party shall be responsible for its own legal fees, including but not limited to attorney fees. The Parties may, by written agreement signed by both Parties, alter any time deadline, location(s) for meeting(s), or procedure outlined herein. The procedure specified herein shall be the sole and exclusive procedure for the resolution of Disputes.

18.5 Waiver of Jury Trial. EACH PARTY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF, RESULTING FROM OR IN ANY WAY RELATING TO THIS AGREEMENT.

19. Miscellaneous

19.1 Records: The parties shall keep (or as necessary cause to be kept by their respective agents) for a period of at least (6) years such records as may be needed to afford a clear history of all deliveries of Payments, Credits, energy and RECs pursuant to the Tariff. For any matters in dispute, the Parties shall keep the records until the dispute is resolved.

19.2 Audit Rights: The EDC and the Subscriber Organization have the right throughout the Tariff term and for a period of six (6) years following the end of the Term, upon reasonable prior notice, to audit copies of relevant portions of the books and records of the other party to the limited extent necessary to verify the basis for any claim by a party for payment from the other party or to determine a party's compliance with the terms of the Tariff. The party requesting the audit shall pay the other party's reasonable costs allocable to such audit.

19.3 Site Access: The EDC and its representatives shall have the right, but not the obligation, during business hours, upon reasonable notice to the Subscriber Organization, to visit and view the Facility site, including but not limited to, for the purpose of verifying compliance with the Facility's descriptions provided in the Enrollment Form, and final Facility size as of its In-Service Date. The EDC and the Subscriber Organization agree that it shall constitute a material breach by the Subscriber Organization to deny the EDC reasonable access to the site and the Facility and that such material breach shall constitute an Event of Default by the Subscriber Organization under Section 14.

19.4 Severability: If any section, phrase or portion of these Terms and Conditions is for any reason, held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction such section, phrase or portion so adjudged will be deemed separate, severable and independent and the remainder of these Terms and Conditions shall remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication, provided that the basic purpose of these Terms and Conditions

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and the benefits and rights of the EDC and Subscriber Organization or Subscribers are not substantially impaired.

19.5 Disputes. Any dispute arising out of these Terms and Conditions shall be governed by the Dispute Resolution provision herein.