

Attachment 1

TIER 2 RENEWABLE ENERGY CERTIFICATE PURCHASE AND SALE AGREEMENT

This Agreement (the “Agreement”) is made as of October 15, 2020 (“Effective Date”) by and between the New York State Energy Research and Development Authority, a public benefit corporation, having a principal business address of 17 Columbia Circle, Albany, New York 12203 (“NYSERDA”), and the Load Serving Entity entering this Agreement using the unique Confirmation ID number provided by NYSERDA (“LSE”). NYSERDA and LSE are each referred to herein as a “Party” and are collectively referred to herein as the “Parties.”

RECITALS:

WHEREAS, by its (“Tier 2 Order”) in Case 15-E-0302 the New York State Public Service Commission (“PSC”) established a Tier 2 program; and

WHEREAS, the Tier 2 Order directed NYSERDA to administer a series of three competitive Requests for Proposals (“RFPs”) for the purchase of Tier 2 eligible renewable energy credits (“RECs”) from eligible generating facilities; and

WHEREAS, the Tier 2 Order authorizes NYSERDA to enter three-year agreements with eligible facilities receiving competitive awards under the Tier 2 RFPs; and

WHEREAS, the Tier 2 program includes a requirement that each LSE purchase from NYSERDA a proportionate share of the Tier 2 RECs acquired by NYSERDA under the Tier 2 program; and

WHEREAS, the Order establishes the Tier 2 compliance period as January 1 to December 31 of each year, after the completion of the first Tier 2 RFP (“Compliance Year”); and

WHEREAS, the Tier 2 Order directs that each LSE be charged a uniform wholesale per MWh charge (“Tier 2 Charge”) that will be applied to each LSE’s actual wholesale load to calculate their monthly Tier 2 obligation payments; and

WHEREAS, the Tier 2 Order established the method for calculating the Tier 2 Charge ; and

WHEREAS, the Tier 2 Order approved this form of agreement for the procurement of Tier 2 RECs by LSEs from NYSERDA; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises hereinafter set forth, which the Parties agree is sufficient, and the Parties, intending to be legally bound, agree as follows:

ARTICLE 1: DEFINITIONS

1.1 Definitions. In addition to any other terms defined herein, the following terms shall have the meaning ascribed to them below:

- (a) “Agreement” means this Tier 2 Renewable Energy Certificate Purchase and Sale Agreement, and including [Exhibits A \(Standard Terms and Conditions for All NYSERDA Agreements\)](#); [B \(NYSERDA Prompt Payment Policy Statement\)](#)¹; and C (LSE E-mail Confirmation for Tier 2 RECs) all of which are incorporated herein and made part hereof.
- (b) “Annual Tier 2 Obligation Amount” shall be calculated as an amount equal to the Total Tier 2 Expenditure, multiplied by the percentage of the wholesale electric energy load served by LSE in relation to the total electric energy load served by all LSEs during such Compliance Year.
- (c) “Compliance Year” shall mean January 1 to December 31 of each year during which NYSERDA is purchasing Tier 2 RECs.
- (d) “Energy Services Company” or “ESCO” means any eligible competitive energy services company operating in New York State pursuant to the Uniform Business Practices approved by the PSC.
- (e) “Load Serving Entity” or “LSE” means any entity or individual that sells retail commodity electricity supply to an end-use customer located in New York State, including any ESCO and each electric distribution company regulated by the PSC, serving in their roles as electric commodity supplier of last resort, jurisdictional municipal utilities, community choice aggregators not otherwise served by an ESCO, customers purchasing power directly from NYISO, and Long Island Power Authority (“LIPA”) to the extent LIPA has voluntarily agreed to act as an LSE.
- (f) “Monthly Obligation Payment” means the monthly payment due from LSE to NYSERDA. The Monthly Obligation Payment is calculated as the wholesale load, for the prior month, in MWh, multiplied by the Tier 2 Charge, multiplied by a load modifier rate as applicable based on the LSE. NYSERDA and the LSE will jointly determine the load modifier rate for each Compliance Year.
- (g) “NYGATS” means the New York Generation Attribute Tracking System, the tracking system that records electricity generation attribute information within New York State, and processes generation attribute information from energy imported and consumed within New York State, as a basis for creating tradable generation attribute certificates, including Tier 2 RECs.
- (h) “NYGATS Operating Rules” means the rules governing the operation of the NYGATS by NYSERDA and its designated NYGATS Administrator, and the participation in and use of the NYGATS by users. The Operating Rules describe how the system is operated and delineate the roles, requirements and responsibilities of all parties.²
- (i) “NYISO” means the New York Independent System Operator.
- (j) “New York State Public Service Commission” or “PSC” means the commission duly authorized to operate in New York State pursuant to Articles 1 and 2 of the Public Service Law.

¹ <https://www.nyserda.ny.gov/Funding-Opportunities/Standard-Forms-and-Agreements>

² <https://www.nyserda.ny.gov/All-Programs/Programs/NYGATS/Registration-Documents>

- (k) “Total Tier 2 Expenditure” shall mean the total dollars expended by NYSERDA to purchase Tier 2 RECs during the compliance year.
- (l) “Tier 2 REC Certificate” means certain NYGATS certificates evidencing Tier 2 RECs derived from the energy production of megawatt hours by Tier 2 eligible electric generation sources. Each REC, as reflected in a Tier 2 REC Certificate, represents the energy production of one (1) megawatt-hour.
- (m) “Tier 2 Rate” means the per MWh charge used by all LSEs and NYSERDA as calculated by the formula adopted in the Tier 2 Order and as posted on NYSERDA’s website, and including any administrative adder, if approved by the Commission.³

ARTICLE 2: PURCHASE AND SALE OF Tier 2 RECs

2.1 Procurement. Subject to the terms and conditions of this Agreement, NYSERDA agrees to purchase Tier 2 RECs on behalf of LSE, and LSE agrees to make payment to NYSERDA, in an annual amount equal to the Annual Tier 2 Obligation Amount.

2.2 Retirement. Upon conclusion of the Settlement and Reconciliation process as described under Section 2.7, NYSERDA will retire in NYGATS on behalf of LSE for purposes of Tier 2 compliance by LSE all Tier 2 RECs purchased by NYSERDA on behalf of LSE for which LSE has provided payment to NYSERDA.

2.3 Invoicing. NYSERDA will provide invoices to the LSE on a monthly basis for the Monthly Obligation Payment.

2.4 Payment. Payments in the amount of the Monthly Obligation Payment shall be due to NYSERDA within fifteen (15) days of the invoice date. Any and all payments due to NYSERDA shall be made by check or by wire/ACH payment as follows:

By Check:

NYSERDA
Attn: Finance
17 Columbia Circle
Albany, New York 12203

By Wire/ACH:

Contact NYSERDA for electronic banking information.

When making payment, LSE shall include the Customer ID that NYSERDA previously sent to LSE by e-mail.

³ Case 15-E-0302, Order Approving Zero-Emissions Credit Implementation Plan with Modifications (issued September 20, 2019) p. 3.

2.5 Taxes/Fees. NYSERDA shall pay any taxes or other fees, if any, imposed on the creation or retirement in NYGATS.

2.6 Term. This Agreement shall be effective as of the Effective Date, and unless terminated earlier pursuant to Article 5 of this Agreement. Termination shall not affect provisions hereof that expressly survive termination.

2.7. Settlement and Reconciliation. NYSERDA shall calculate LSE's Annual Tier 2 Obligation Amount for each Compliance Year. Should the amount paid by the LSE in a Compliance Year exceed the Annual Tier 2 Obligation Amount for the same Compliance Year, NYSERDA shall make payment to LSE in an amount equaling the overpayment. Should the amount paid by the LSE in a Compliance Year be less than the Annual Tier 2 REC Obligation Amount in the Compliance Year, LSE shall make a payment of the difference between the amounts actually paid to NYSERDA and the Annual Tier 2 REC Obligation Amount. LSE and NYSERDA agree that, on a timely basis the Annual Tier 2 Obligation Amount and the total aggregated payments to NYSERDA hereunder shall be reconciled pursuant to the Tier 2 Order, reflecting the actual load served by LSE during the applicable Compliance Year.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES

3.1 NYSERDA representations and warranties. NYSERDA hereby represents and warrants to LSE as follows:

- (a) NYSERDA has and, at all times during the Term will have, all necessary power and authority to execute this Agreement and to perform its obligations hereunder.
- (b) The execution of and performance under this Agreement by NYSERDA has been duly authorized by all necessary action and does not violate any of the terms or conditions of NYSERDA governing documents, or any contract to which it is a party, or any law, rule, regulation, order, judgment or other legal or regulatory determination applicable to NYSERDA. This Agreement constitutes the valid and binding obligation of NYSERDA enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium and similar laws affecting enforcement of creditors' rights and remedies generally and to general principles of equity.
- (c) There is no pending or (to NYSERDA's knowledge) threatened litigation, arbitration or administrative proceeding that materially adversely affects NYSERDA's ability to perform its obligations under this Agreement.
- (d) The Tier 2 payments made by LSE to NYSERDA hereunder shall be made for compliance under the Tier 2 Order.
- (e) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NYSERDA EXPRESSLY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER WRITTEN OR ORAL, AND WHETHER EXPRESS OR IMPLIED INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO CONFORMITY TO MODELS OR SAMPLES, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.

3.2 LSE representations and warranties. LSE hereby represents and warrants to NYSERDA as follows:

- (a) LSE is duly organized, validly existing and in good standing and has the requisite power and authority to own, lease and operate its properties and to carry on its business as being conducted on the Effective Date. LSE has, and at all times during the Term will have, all necessary power and authority to execute this Agreement and to perform its obligations hereunder.
- (b) The execution of and performance by LSE under this Agreement by LSE has been duly authorized by all necessary action and does not violate any of the terms or conditions of LSE's governing documents, or any contract to which it is a party, or any law, rule, regulation, order, judgment or other legal or regulatory determination applicable to LSE. This Agreement constitutes the valid and binding obligation of the LSE enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium and similar laws affecting enforcement of creditors' rights and remedies generally and to general principles of equity.
- (c) There is no pending or (to LSE's knowledge) threatened litigation or administrative proceeding against the LSE that materially and adversely affects LSE's ability to perform its obligations under this Agreement.
- (d) LSE has, and at all times during the Term will use reasonable efforts to maintain, the financial capability to perform its obligations hereunder.
- (e) LSE is an Account Holder as defined in the NYGATS Operating Rules.

ARTICLE 4: EVENTS OF DEFAULT

4.1 Events of Default. For purposes of and during the Term, each of the following shall constitute an event of default ("Event of Default") by a Party:

- (a) if a Party materially breaches any or all of its obligations as described in this Agreement and such breach is not cured within fifteen (15) Business Days of written notice of such breach from the other Party;
- (b) if any representation or warranty made by a Party in Article 3 of this Agreement proves to have been misleading or false in any material respect when made; and/or
- (c) if a Party:
 - (i) makes an assignment or any general arrangement for the benefit of its creditors;
 - (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it;

- (iii) otherwise becomes bankrupt or insolvent (however evidenced); or
- (iv) becomes unable to pay its debts as they become due.

ARTICLE 5: REMEDIES UPON DEFAULT

5.1 Remedies. Upon an Event of Default, the non-defaulting Party may (a) terminate this Agreement upon written notice to the defaulting Party, (b) withhold any payments due in respect of this Agreement, (c) set off any payments due against any other credits or payments under other agreements between the Parties, (d) withhold the retirement of Tier 2 RECs on behalf of the defaulting Party, and/or (e) exercise its legal rights to secure payment of amounts due and owing to the non-defaulting Party by the defaulting Party. Notices by LSE pursuant to this section shall be served on NYSERDA and the PSC. NYSERDA may enforce this Agreement and pursue the collection of any unpaid portion of the Annual Tier 2 Obligation Amount or Monthly Obligation Payment due to NYSERDA by referring the matter to the New York State Attorney General or by any other legal means.

5.2 Exclusive Remedy. The remedies set forth in this Article 5 shall be the sole and exclusive remedies of the respective parties in the event of a default, and a party's liability shall be limited as set forth in this section. All other remedies or damages at law are hereby waived.

5.3 Limitation of Liability. In the event of a default, the defaulting party's liability shall be limited as set forth herein. In no event shall any other liability be incurred by either Party for any obligations that arise under this Agreement, including (but not limited to) liability for consequential, incidental, punitive, exemplary, or indirect damages in tort, contract, or otherwise.

ARTICLE 6: NOTICES

6.1 Notices.

- (a) All notices, requests, consents, approvals and other communications which may or are required to be given by either party to the other under this Agreement shall be in writing and shall be transmitted either:
 - (1) via certified or registered United States mail, return receipt requested;
 - (2) by personal delivery;
 - (3) by expedited delivery service; or
 - (4) by e-mail, return receipt requested.

Such notices shall be addressed as follows, or to such different addresses as the parties may from time-to-time designate as set forth in paragraph (c) below:

To LSE:	At address, electronic mail addresses confirmed through prior communications
To NYSERDA:	NYSERDA Attn: Office of the General Counsel

17 Columbia Circle
Albany, New York 12203-6399
Email address: pete.keane@nyserda.ny.gov

With a copy to: NYSERDA
Attn: Large Scale Renewables
17 Columbia Circle
Albany, New York 12203-6399
Email address: res@nyserda.ny.gov

- (b) Any such notice shall be deemed to have been given either at the time of personal delivery or, in the case of expedited delivery service or certified or registered United States mail, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of facsimile transmission or email, upon receipt of an email acknowledgement of receipt.
- (c) The parties may, from time to time, specify any new or different address in the United States as their address for purpose of receiving notice under this Agreement by giving fifteen (15) days written notice to the other party sent in accordance herewith. The parties agree to mutually designate individuals as their respective representatives for the purposes of receiving notices under this Agreement. Additional individuals may be designated in writing by the parties for purposes of implementation and administration/billing, resolving issues and problems and/or for dispute resolution.

6.2 The addresses for notice and payment specified in Sections 6.1 may be changed from time to time by written notice by either Party to the other Party without amendment of this Agreement.

ARTICLE 7: MISCELLANEOUS

7.1 Force Majeure. Neither party hereto shall be liable for any failure or delay in the performance of its respective obligations hereunder if and to the extent that such delay or failure is due to a cause or circumstance beyond the reasonable control of such party, including, without limitation, acts of God or the public enemy, expropriation or confiscation of land or facilities, compliance with any law, order or request of any Federal, State, municipal or local governmental authority, acts of war, rebellion or sabotage or damage resulting therefrom, fires, floods, storms, explosions, accidents, riots, or strikes. In the event that such failure or delay occurs, the claiming Party shall notify the other Party of the occurrence thereof as soon as possible, shall use reasonable efforts to resume performance as soon as possible, and shall regularly consult with the other Party during the pendency of the force majeure event. In the event that the force majeure event lasts more than forty-five (45) days, NYSERDA may terminate this Agreement with no further obligation or liability to LSE other than to retire on behalf of LSE for Tier 2 REC compliance purposes any Tier 2 RECs for which LSE has made payment prior to termination.

7.2 Severability. If any provision of this Agreement shall be declared by any court of competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement shall not be affected and shall remain in full force and effect. If any provision of this Agreement is so broad as to be unenforceable, that provision shall be interpreted to be only so broad as will enable it to be enforced.

7.3 Waiver. No delay or omission by a Party in the exercise of any right under this Agreement shall be taken, construed or considered as a waiver or relinquishment thereof, and any such right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions hereof are breached and thereafter waived by a Party, such waiver shall be limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

7.4 Forward Contract. Each Party represents and warrants to the other that it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code, that this Agreement is a “forward contract” within the meaning of the United States Bankruptcy Code, and that the remedies identified in this Agreement shall be “contractual rights” as provided for in 11 U.S.C. § 556 as that provision may be amended from time to time.

7.5 Assignment. Except as specifically provided otherwise in this Section 7.5, the assignment, transfer, conveyance, subcontracting or other disposal of this Agreement or any of the LSE’s rights, obligations, interests or responsibilities hereunder, in whole or in part, without the express consent in writing of NYSERDA shall be void and of no effect as to NYSERDA. Such consent shall not be unreasonably withheld. Either Party may, upon written notice, assign its rights and obligations hereunder, or transfer such rights and obligations by operation of law, to any entity with which or into which such Party shall merge or consolidate or to which such Party shall transfer all or substantially all of its assets, provided that such other entity agrees to be bound by the terms hereof and provided further, that such other entity’s creditworthiness is comparable to or higher than that of such Party at the time this Agreement was executed and such Party is not relieved of any obligation or liability hereunder as a result of such assignment.

7.6 Entire Agreement; Amendment. This Agreement embodies the entire agreement and understanding between NYSERDA and the LSE and, excepting any Tier 2 reconciliation process provided for by prior agreement, supersedes all prior agreements and understandings relating to the subject matter hereof, including but not limited to any prior agreement between the parties regarding the purchase and sale of Tier 2 RECs. Except as otherwise expressly provided for herein, this Agreement may be amended, modified, changed, waived, discharged or terminated only by an instrument in writing, signed by the party against which enforcement of such amendment, modification, change, waiver, discharge or termination is sought.

7.7 All Legal Provisions Deemed Included. It is the intent and understanding of LSE and NYSERDA that each and every provision of law required by the laws of the State of New York to be contained in this Agreement shall be contained herein, and if, through mistake, oversight or otherwise, any such provision is not contained herein, or is not contained herein in correct form, this Agreement shall, upon the application of either NYSERDA or the Seller, promptly be amended so as to comply strictly with the laws of the State of New York with respect to the inclusion in this Agreement of all such provisions.

7.8 Governing Law/Venue. This Agreement shall be governed by, and construed in accordance with the laws of the State of New York applicable to contracts executed and to be performed in New York State without regard to its conflicts of laws principles. The parties irrevocably acknowledge and accept that all actions arising under or relating to this Agreement, and the transactions contemplated hereby and thereby shall be brought exclusively in a United States District Court or New York State Court located in Albany, New York having subject matter jurisdiction over such matters, and each of the Parties hereby

consents to and accepts such personal jurisdiction of, and waives any objection as to the laying of venue in, such courts for purposes of such action.

7.10 Headings. The Article and Section titles in this Agreement are only for purposes of convenience and do not form a part of this Agreement and will not be taken to qualify, explain or affect any provision thereof.

7.11 No Third Party Beneficiaries. Nothing herein is intended to or should be construed to create any rights of any kind whatsoever in third persons not parties to this Agreement.

7.12 Freedom of Information Law. Seller acknowledges that NYSERDA is subject to and must comply with the requirements of New York's Freedom of Information Law ("FOIL;" see Public Officers' Law Article 6); 21 NYCRR Part 501. The FOIL Law (Public Officers Law § 87(d)(2)) provides an exception to disclosure for records or portions thereof for numerous reasons, including but not limited to protected material that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." If NYSERDA receives a request from a third party for information or a document received from Seller and which has been marked "Confidential" or "Proprietary," NYSERDA will process such request under the procedures provided by NYSERDA's FOIL regulations (21 NYCRR Part 501).

7.13 Claim of Confidentiality. Information of any tangible form including any document that LSE wishes to be protected from disclosure to third parties, including this Agreement must be marked "Confidential" or "Proprietary" at the time such information is provided to NYSERDA. Notwithstanding the foregoing, NYSERDA, in accordance with the provisions of the Tier 2 Order, shall be permitted to report to the New York State Department of Public Service through its Records Access Officer seeking confidential treatment as appropriate, as to the amounts received from LSE for Tier 2 purchases as against the total due each month and on the LSE's compliance or non-compliance, generally, with the terms of this Agreement.

7.14 Electronic Execution. LSE acknowledges, confirms and agrees that any signature (including any electronic symbol or process attached to, or associated with, this standard Tier 2 Renewable Energy Certificate Purchase and Sale Agreement or other record and adopted by LSE with the intent to sign, authenticate or accept such contract or record hereto or to any other certificate, agreement or document necessary to this transaction shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, and the parties hereby waive any objection to the contrary.