

**APPENDIX 2**

**SAMPLE AMENDED RES STANDARD FORM AGREEMENT  
(BASED ON RESRFP19-1 AGREEMENT)  
REDLINE SHOWING PROPOSED AGREEMENT MODIFICATIONS**

**RESRFP19-1 – ATTACHMENT H**

**RES STANDARD FORM AGREEMENT**

**BY AND BETWEEN**

**THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY**

**AND**

**[NAME OF SELLER]**

**Dated: \_\_\_\_\_, 2019**

Agreement No. \_\_\_\_\_

This Renewable Energy Standard (“RES”) Agreement ("Agreement") is entered into as of \_\_\_\_\_, 2019 (the "Effective Date") by and between the New York State Energy Research and Development Authority (“NYSERDA”), a public benefit corporation, having a principal business address of 17 Columbia Circle, Albany, New York 12203, and \_\_\_\_\_ (“Seller”), a [insert as appropriate], having a principal business address of \_\_\_\_\_. NYSERDA and Seller are each referred to herein as a "Party" and are collectively referred to herein as the "Parties."

WHEREAS, the New York State Public Service Commission (“PSC”) through its “Order Adopting a Clean Energy Standard”<sup>1</sup> (August Order) established a Clean Energy Standard Program, to consist of a Renewable Energy Standard (RES) and a Zero-Emissions Credit (ZEC) requirement; and

WHEREAS, the RES requires each New York electric load-serving entity to serve its retail customers by procuring new renewable resources, evidenced by the procurement of qualifying RES Tier-1 Renewable Energy Certificates; and

WHEREAS, the August Order directs and authorizes NYSERDA, as the central procurement administrator of the RES program, to issue and conduct solicitations for the procurement of RES Tier-1 Renewable Energy Certificates for sale to New York electric load-serving entities; and

WHEREAS, on February 22, 2017<sup>2</sup> the PSC approved the proposed Clean Energy Standard Phase 1 Implementation Plan, with revisions; and

WHEREAS, on March 24, 2017, NYSERDA and the New York State Department of Public Service (DPS) filed the Clean Energy Standard Final Phase 1 Implementation Plan, which includes implementation mechanisms regarding, among other things, eligibility, and long-term procurement through the issuance of competitive Request for Proposals (RFP); and

WHEREAS, NYSERDA has conducted a competitive solicitation in the form of RESRFP19-1 to procure Tier-1 Renewable Energy Certificates; and

WHEREAS, NYSERDA RESRFP19-1, which is incorporated herein and made part hereof, provided, among other things, that this Agreement would be employed to govern the rights and obligations of the Parties; and

WHEREAS, Seller has participated in RESRFP19-1 and has been selected by NYSERDA as a winning Proposer with respect to the [name of facility] (“Bid Facility”); and

WHEREAS, the Seller agrees to sell to NYSERDA, and NYSERDA agrees to purchase from Seller, the Tier-1 Renewable Energy Certificates associated with the energy production of

<sup>1</sup> See Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, “Order Adopting a Clean Energy Standard,” issued and effective August 1, 2016.

<sup>2</sup> *Id.* “Order Approving Phase 1 Implementation Plan,” issued and effective February 22, 2017 (February Order).

the Bid Facility described in the Bid Proposal submitted in response to RESRFP19-1 during the Contract Delivery Term, on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, this Agreement has been entered into by the Parties to define, among other things, their rights and obligations concerning the Tier-1 Renewable Energy Certificates associated with the generation of electric energy by the Bid Facility, the delivery by Seller of Tier-1 Renewable Energy Certificates to NYSERDA, and payments by NYSERDA to Seller during the term of this Agreement.

## Article I

### Definitions

The terms defined in this Article I, whenever used in this Agreement (including in any Exhibit hereto), shall have the respective meanings indicated below for all purposes of this Agreement (each such meaning to be equally applicable to the singular and the plural forms of the respective terms so defined). All references herein to a Section, Article or Exhibit are to a Section, Article or Exhibit of or to this Agreement, unless otherwise indicated. The words “hereby”, “herein”, “hereof”, “hereunder” and words of similar import refer to this Agreement as a whole (including any Exhibit) and not merely to the specific section, paragraph or clause in which such word appears. The words “include”, “includes”, and “including” shall be deemed, in every instance, to be followed by the phrase “without limitation.” Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Except as otherwise expressly provided herein, all references to “dollars” and “\$” shall be deemed references to the lawful money of the United States of America.

Actual Annual Production: The amount, in Megawatt hours (MWh), of the total electric energy produced by the Bid Facility during any Contract Year, measured at the Injection Point.

Actual Annual Eligible Production: The amount, in MWh, of the Actual Eligible Production during a full Contract Year.

Actual Eligible Production: The amount, in MWh, of the electric energy produced by the Bid Facility/Upgrade during any period within a Contract Year, measured at the Injection Point, [except that:

- (i) for an Upgrade, the Actual Eligible Production shall be the product of (a) Actual Production of the Bid Facility, multiplied by (b) the percentage of the Actual Production resulting from the upgrade established through Provisional/Operational Certification. Should the Installed Capacity equal the Bid Capacity, the Actual Eligible Production percentage shall equal [percentage]% of the Actual Production.
- (ii) for a Fuel-Based Bid Facility that has never used eligible fuels, the Actual Eligible Production shall reflect the eligible biomass generation only, determined as the Actual Production of the entire Bid Facility, multiplied by the BTU input ratio of (a) the biomass fuel heat input to (b) the total fuel heat input, consistent with how such terms are applied for Provisional/Operational Certification (See [Exhibit TBD], which is annexed hereto and made part hereof);

- (iii) for a Fuel-Based Bid Facility that used eligible fuels, including co-firing with ineligible fuels, before January 1, 2015, the Actual Eligible Production shall reflect only that Actual Production using eligible biomass, biogas, or liquid bio-fuel above the historical baseline production established through Provisional/Operational Certification (See Exhibit TBD, which is annexed hereto and made part hereof).]

Actual Production: The amount, in MWh, of the total electric energy production of the Bid Facility during any period within a Contract Year.

Annual REC Cap: An amount of RECs equal to the product of the Bid Quantity and one and two-tenths (1.2), rounded down to the nearest whole REC. The Annual REC Cap under this Agreement shall be \_\_\_\_\_ RECs. Seller will retain ownership and all rights to RECs that exceed the Annual REC Cap.

Article 10: Article 10 of the New York State Public Service Law provides for the siting review of new or modified major electric generating facilities in New York State by the Board on Electric Generation Siting and the Environment (Siting Board) in a unified proceeding for the application of numerous state and local permits. See NYS Public Service Law §§ 160, *et seq.*

Applicable Class Year: [The Class Year in which the Bid Facility has been placed for purposes of the NYISO interconnection process.](#)

Applicable Zone: [The NYISO load zone that includes the Delivery Point. The Applicable Zone shall be as stated in Schedule 1 of this Agreement.](#)

Applicable Law: [All applicable provisions of all constitutions, treaties, statutes, laws \(including the common law\), rules, regulations, ordinances, and codes and any order, writ, injunction, decree, judgment, award, decision or determination of any court of jurisdiction or any federal, state, municipal or other governmental department, commission, board, bureau, agency, authority or instrumentality, including the NYISO tariffs.](#)

Award Notification Date: For purposes of this Agreement, the Award Notification Date will be [Month] [Day], 2018.

Bid Capacity: Bid Capacity shall equal the Bid Quantity Percentage multiplied by the Nameplate Capacity of the Bid Facility. [In the case of Upgrades, the Bid Capacity shall equal the Bid Quantity divided by the Expected Average Annual Production, multiplied by the Nameplate Capacity.] The Bid Capacity under this Agreement shall be \_\_\_ MW.

Bid Facility: The electric generating station that has been identified and described in the Application for Qualification submitted by Seller through which the Bid Facility was found to be qualified for participation in RESRFP19-1.

~~Bid Price: A single fixed production payment, expressed in \$/MWh, applicable to each Tier 1 Renewable Energy Certificate offered as performance throughout the Contract Delivery Term. Subject to Article V, for all transactions contemplated and consummated under this Agreement the Bid Price shall be \$ \_\_\_\_\_.~~

Bid Proposal: Documents submitted by Seller in response to RESRFP19-1 and received by NYSEDA including the Step Two Application for Qualification, and the Step Three Bid Proposal.

Bid Quantity: The amount, in MWh, of Tier-1 Renewable Energy Certificates the Bid Facility expects to proffer as performance under this Agreement during each Contract Year during the Contract Delivery Term. The Bid Quantity must be the same for each Contract Year throughout the Contract Delivery Term, subject to adjustments pursuant to Article IV (Payment) and Article V (Adjustments). This number will equal the Expected Annual Eligible Production multiplied by the Bid Quantity Percentage. Subject to Article V, for all transactions contemplated and consummated under this Agreement the Bid Quantity shall be ( \_\_ ) MWh.

Bid Quantity Percentage: The percentage of the Bid Facility's Actual Eligible Production that will be committed to performance under this Agreement. The Bid Quantity Percentage must be at least 30% and may not exceed 100% of the Expected Annual Eligible Production and will be applied to Actual Eligible Production in any period during the Contract Delivery Term to establish compliance with contract requirements. For all transactions contemplated and consummated under this Agreement the Bid Quantity Percentage shall be \_\_\_\_%.

Bid Storage Capacity: Shall mean the maximum amount of energy that is capable of being stored in an Energy Storage device, measured in Megawatt hours (MWh), as specified in the Bid Proposal. The Bid Storage Capacity under this Agreement shall be \_\_\_\_MWh.

Business Day: Means any day except a Saturday, Sunday or a New York State or NERC recognized holiday.

Construction Activities: The physical activities associated with the construction of any on-site structure or civil site works including, but not limited to, the clearing, grubbing, grading, staging, installation, erection and placement of the Bid Facility, Energy Storage and electrical interconnection as well as start-up and commissioning of the Bid Facility.

Construction Period: The period during which the Bid Facility is under construction beginning on the date the first Construction Activities take place and ending on the date the Bid Facility achieves Commercial Operation.

Commercial Operation: A state of operational readiness under which (i) generating capacity is available and physically producing electric energy and associated Tier-1 Renewable Energy Certificates, and (ii) all rights, abilities, permits and approvals to schedule and deliver energy to the Injection Point have been obtained.

Commercial Operation Milestone Date: The Commercial Operation Milestone Date shall be November 30, 2021. The Commercial Operation Milestone Date may be extended (see Article II, Purchase and Sale of Rights to Tier-1 Renewable Energy Certificate, Section 2.07 and Article XV, Contract Security).

Contract Delivery Term: The period of performance under this Agreement. The Contract Delivery Term will commence on the first day of the month after the Bid Facility commences Commercial Operation. [For Bid Facilities in Commercial Operation as of the Award Notification Date, unless otherwise agreed to in writing by NYSERDA, the Contract Delivery Term shall commence on the first day of the month after the Effective Date of this Agreement. The Contract Delivery Term shall extend for the term of the Contract Tenor.]

Contract Security: All amounts provided to NYSERDA as defined in Article XV (Contract Security) of this Agreement.

Contract Tenor: The duration, in years, of the Contract Delivery Term as defined on the Bid Proposal form submitted for the Bid Facility. The Contract Tenor under this Agreement shall be \_\_\_ years.

Contract Year: A 12-month period commencing with the beginning of the Contract Delivery Term and each anniversary thereof within the Contract Delivery Term.

Delivery Point: For Bid Facilities located within the New York Control Area, the generator bus or location where (a) the administrator of the wholesale power market, or (b) the operator of the transmission/distribution utility, public authority or municipal electric company. For Bid Facilities located outside of the New York Control Area, the generator bus or location where the NYISO measures energy delivery from the Bid Facility into the New York market.

Defined Percentage(s): The percentage of the Permanent Physical Footprint free of overlap with Prime Farmland or Prime Farmland if Drained selected by Seller in the Project Viability, Site Character section of the Step Three Bid Proposal. The Defined Percentage under this Agreement shall be \_\_\_\_\_ percent (TBD %).

Energy Storage: A commercially available resource capable of receiving electric energy and storing that energy or a portion of that energy for later injection of electricity back to the grid regardless of where the resource is located on the electrical system. The Energy Storage must be constructed and operated in accordance with Sections VI. Quality Assurance (including the Battery Energy Storage Guidebook referenced therein) and IX. Technical Requirements of the NYSERDA Bulk Storage Incentive Program Manual, a copy of which is attached hereto as Exhibit F, and must remain installed in the location as built throughout the Contract Delivery Term.

[Energy Storage Component Price Reduction Amount: The amount by which the Index REC Strike Price shall be reduced pursuant to Section 5.02(e) of this Agreement as a consequence of Seller's failure to construct the Energy Storage Component as proposed in the Bid Proposal. The Energy Storage Component Price Reduction Amount shall be \$ \_\_\_\_\_.]

Excused Production: The total amount of energy, as measured in MWh, that the Bid Facility is unable to generate and deliver for any time period due to a Force Majeure Event, as reasonably demonstrated by Seller in accordance with Section 16.01(b). The calculation of the amount of production so curtailed, reduced or re-dispatched shall take into account (i) during the period of

such curtailment, reduction or redispatch, the actual weather-related data available through the Bid Facility's monitoring equipment and other available data or interpolated data determined using prudent utility practices, (ii) the power curve provided by the module supplier (adjusted by historical data for the Bid Facility compiled by Seller, including the results of any power curve testing), and (iii) the actual availability of each unit of the Bid Facility and the availability of the Bid Facility to deliver energy to the Injection Point, as such deemed energy shall be adjusted taking into account historical data for the Bid Facility. Seller shall provide written notice of any claim of Excused Production under Section 16.01(b) within thirty (30) days of the end of the Contract Year during which it occurs; such Notice to NYSERDA must include a detailed description of its claimed Excused Production, including the methodology and calculations used by Seller in calculating the claimed amount, applying the above referenced factors, for NYSERDA's review and consideration. Seller shall cooperate with NYSERDA and the NYISO in providing demonstration of the NYISO or transmission utility direction.

Expected Total Dollars: The total dollar amount of Incremental Economic Benefits, as presented in the Bid Proposal and accepted by NYSERDA, expected to accrue to New York as a result of the development, construction, modification, and operation of the Bid Facility from the Award Notification Date through the end of the first three (3) Contract Years. The Expected Total Dollars under this Agreement shall be \$\_\_\_\_\_.

Fuel-Based Bid Facility: Fuel-Based facilities include biogas, biomass, liquid biofuel, and fuel cells.

Incremental Economic Benefits: Incremental Economic Benefits are financial expenditures benefitting New York State within the categories specified in Section IX of RESRFP19-1 and are those that a Seller can demonstrate: (1) will accrue subsequent to an award under RESRFP19-1, and (2) would not have accrued but for the award of this Agreement. Economic benefits previously claimed with respect to a Bid Facility that are subject to a pending award under a previous solicitation or that is the subject of a current NYSERDA Agreement are not Incremental Economic Benefits.

[Index REC Price: A price in dollars per Tier-1 REC that nets the as-bid Index REC Strike Price monthly against the sum of the Reference Energy Price and the Reference Capacity Price, as determined pursuant to Section 4.01 of this Agreement.]

[Index REC Strike Price: The as-bid value for each Contract Year as submitted in the Bid Proposal and as stated in Schedule 1 of this Agreement. [The Index REC Strike Price may be adjusted pursuant to Section 5.02(e) of this Agreement.]]

Injection Point: For Bid Facilities located within the New York Control Area, the Injection Point shall be the Delivery Point. For Bid Facilities located outside of the New York Control Area, Injection Point shall be the generator bus or location where the administrator of the local control area measures energy delivery from the Bid Facility into the local market.

Installed Capacity: Installed Capacity shall equal the gross generating capacity, in MW, of the [Bid Facility/Upgrade] that achieves Operational Certification (SoQ) multiplied by the Bid Quantity Percentage. [In the case of co-firing, the Installed Capacity shall equal the Bid Quantity



Percentage multiplied by the portion of the gross generating capacity (MW) that has been repowered, upgraded and or retrofitted as determined by Operational Certification (SoQ).]

Installed Storage Capacity: The maximum amount of energy measured in MWh that is capable of being stored in the Energy Storage device that achieves Operational Certification.

Monthly REC Price: A price in dollars per Tier-1 REC for each month of the Contract Delivery Term as calculated pursuant to Section 4.01 of this Agreement.

MW: a megawatt of alternating current electric energy generating capacity.

MWh: a megawatt-hour of electric energy.

Nameplate Capacity: The gross generating capacity of the entire Bid Facility, post upgrade, in MW. The Nameplate Capacity under this Agreement shall be \_\_ MW.

New York Control Area (NYCA): The control area that is under the control of the NYISO which includes transmission facilities listed in the ISO/TO Agreement Appendices A-1 and A-2, as may be amended from time-to-time.

New York Generation Attribute Tracking System (NYGATS): 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 generation attribute certificates, including Tier-1 Renewable Energy Certificates. NYGATS will create exactly one Tier-1 Renewable Energy Certificate per MWh of RES eligible generation.

Non-Fuel Based Bid Facility: Non-Fuel based facilities include hydroelectric, solar, tidal/ocean, and wind.

NYGATS Forward Certificate Transfer: A Forward Certificate Transfer is an automated monthly transfer of Certificates over the duration of the Contract Delivery Term. The Seller will continue to be responsible for providing the Static Data and Dynamic Data required of Projects, notwithstanding the Forward Certificate Transfer. See Section 10.3 of the NYGATS Operating Rules at:  
<https://www.nyserda.ny.gov/All-Programs/Programs/NYGATS/Registration-Documents>

NYISO: The New York Independent System Operator, Inc., is the administrator of the wholesale power markets in New York and manages the physical electrical operations of the NYCA.

NYSERDA NYGATS Account: The NYGATS account established by NYSERDA into which Seller shall transfer Tier-1 Renewable Energy Certificates as performance under this Agreement.

Operational Certification: Operational Certification verifies that the Bid Facility has been constructed and/or will operate in accordance with the proposal submitted, for which a Provisional Statement of Qualification (PSoQ) was granted and for which an award was made. An Operational Certification request should be submitted after the Bid Facility has received a

Statement of Qualification (SoQ) in NYGATS. NYSERDA will also determine whether Seller has complied with Section 18.10. [For Bid Facilities including Energy Storage, NYSERDA will verify the Installed Storage Capacity and confirm that it has been installed i) consistent with the Bid Proposal (see Article IV) and ii) Sections VI. Quality Assurance (including the Battery Energy Storage Guidebook referenced therein) and IX. Technical Requirements of the NYSERDA Bulk Storage Incentive Program Manual. For Fuel-Based Bid Facilities, the Seller will be required to provide additional information as outlined in Exhibit D to this Agreement. Once Operational Certification has been granted, NYSERDA will make payments consistent with Section IV.]

Operating Rules: The NYGATS Operating Rules (the “Operating Rules”), the General Terms of Use and other guidelines posted to the NYGATS website at:  
<https://www.nyserdera.ny.gov/All-Programs/Programs/NYGATS/Registration-Documents>

Permanent Physical Footprint: The area occupied during the Contract Delivery Term by the generation facility, the associated interconnection equipment and, if applicable, Energy Storage equipment as verified by NYSERDA through the Operational Certification process.

Prevailing Wage: Shall have the meaning set forth at and shall be interpreted in accordance with Section 18.10 hereto.

Prime Farmland: Lands identified by the United State Department of Agriculture (USDA) as prime farmland and prime farmland if drained, as depicted on the Site Character Map issued with RESRFP19-1.

Proposer: An individual or entity submitting an Application for Qualification Package and Bid Proposal in response to RESRFP19-1. Such entity need not be the owner of the Bid Facility, but must have secured rights to the Tier-1 Renewable Energy Certificates from the Bid Facility sufficient to satisfy all performance requirements stated in RESRFP19-1 and this Agreement.

Quantity Obligation: Shall mean, for any period during the Contract Delivery Term, the number of MWh calculated as the Bid Quantity Percentage multiplied by the Actual Eligible Production, or the Bid Quantity multiplied by one hundred and twenty percent, whichever is lower; subject, however, to adjustments pursuant to Article V, Adjustments.

RES Standard Agreement: The standard contractual document issued as a part of RESRFP19-1 to be entered into by NYSERDA and selected Sellers, which shall define, among other things, their rights and obligations concerning the Transfer of Tier-1 Renewable Energy Certificates to NYSERDA, and the payments by NYSERDA during the term of the Agreement. The RES Standard Agreement includes this document and Exhibit A (Standard Terms and Conditions for all NYSERDA Agreements); B (Letter of Credit Form); C (Prompt Payment Policy Statement); [(D) Requirements for Biomass-fueled Bid Facilities]; [(E) New York State Department of Agriculture and Markets Guidelines for Agricultural Mitigation for Wind or Solar Power Projects].

SEQRA: New York's State Environmental Quality Review Act.

[Reference Capacity Price: An index of NYISO Capacity Market prices for the Applicable Zone calculated as set forth in Section 4.01 of this Agreement.

Reference Energy Price: An index of NYISO Energy Market prices for Applicable Zone calculated as set forth in Section 4.01 of this Agreement.]

Statement of Qualification (SoQ): An SoQ confirms that the energy production of the Bid Facility is eligible for the creation by NYGATS of Tier 1 Renewable Energy Certificates (RECs). Seller must submit material sufficient to demonstrate that the Bid Facility was constructed and achieved commercial operation, consistent with NYSERDA's New York State Clean Energy Standard RES Tier 1 Certification Submission Instructions and Eligibility Guidelines, Section 7.2 Demonstration of Commercial Operation.

Storage Capacity: Shall mean the maximum amount of energy that is capable of being stored in an Energy Storage device, measured in Megawatt hours (MWh).

Summer Capability Period: The period commencing May 1 through October 31 of each year.

Tier-1 Renewable Energy Certificate: The electronic record of generation data created by NYGATS and representing all of the attributes of one MWh of electricity generation from a RES Tier-1 Bid Facility registered with the NYGATS tracking system. The attributes represented in each Tier-1 Renewable Energy Certificate include all environmental characteristics, claims, credits, benefits, emissions reductions, offsets, allowances, allocations, howsoever characterized, denominated, measured or entitled, attributable to the generation of Actual Eligible Production by a Bid Facility, include but not limited to: (i) any direct emissions or any avoided emissions of pollutants to the air, soil or water including but not limited to sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), particulate matter and other pollutants; (ii) any direct or avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and other greenhouse gases (GHGs) that have been or may be determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; (iii) all set-aside allowances and/or allocations from emissions trading programs made unnecessary for compliance in such program as a result of performance under this Agreement, including but not limited to allocations available under 6 NYCRR §§ 204, 237 and 238; and (iv) all credits, certificates, registrations, recordations, or other memorializations of whatever type or sort, representing any of the above. [If the Bid Facility is a biomass or landfill gas facility and the Seller receives any tradable credits, benefits, emissions reductions, offsets, and allowances based on the greenhouse gas reduction benefits attributed not to the production of electricity but rather to its fuel production, collection, conversion or usage, it shall provide NYSERDA or its designee with sufficient credits, benefits, emissions reductions, offsets, and allowances to ensure that there are zero net GHGs associated with the production of electricity from such Bid Facility.]

Transfer/Transferred: The delivery of Tier-1 Renewable Energy Certificates to the NYSERDA NYGATS Account designated by NYSERDA. Seller shall register the Bid Facility in NYGATS and deliver the Tier-1 Renewable Energy Certificates by NYGATS Forward Certificate Transfer. Transfer shall be a necessary part of Seller Performance. See Article II; Section 2.03; and Article IV.

Upgrade: The [Name of Bid Facility], as proposed by Seller in the Application for Qualification and Bid Proposal in response to RESRFP19-1.

Verified Total Dollars: The total dollar amount of Incremental Economic Benefits verified by NYSERDA to have accrued to New York as a result of the development, construction, modification, and operation of the [Bid Facility/Upgrade] from the Award Notification Date through the end of the first three (3) Contract Years.

Winter Capability Period: [The period commencing November 1 of each year through April 30 of the following year.](#)

Article II

Purchase and Sale of Tier-1 Renewable Energy Certificates

Section 2.01. On the terms and subject to the conditions and provisions of this Agreement, Seller agrees to sell, assign, convey, deliver and Transfer to NYSERDA, and NYSERDA agrees to purchase from the Seller, all right, title and interest in the Tier-1 Renewable Energy Certificates associated with the Quantity Obligation generated by the [Bid Facility/Upgrade] during each month of the Contract Delivery Term.

Section 2.02. Such right, title and interest shall include perpetual and exclusive rights to the Tier-1 Renewable Energy Certificates and the underlying attributes, including but not limited to the exclusive rights to claim or represent, consistent with New York State Environmental Disclosure rules: (a) that the energy associated with Tier-1 Renewable Energy Certificates was generated by the Bid Facility; and (b) that New York State and or the RES Program is responsible for the environmental benefits including reductions in emissions and/or other pollution or any other environmental benefit resulting from the generation of the energy associated with the Tier-1 Renewable Energy Certificates. For the avoidance of doubt, the Parties agree that Seller shall retain all rights and interests in and to all energy, capacity, ancillary services and other products of the Bid Facility (including the Energy Storage component) and that NYSERDA has no right or interest in or to any such products.

Section 2.03. Seller shall Transfer the Tier-1 Renewable Energy Certificates to the NYSERDA NYGATS Account via a Forward Certificate Transfer on a monthly basis in a percentage equal to the Bid Quantity Percentage. At the time of Transfer by Seller to NYSERDA, the Tier-1 Renewable Energy Certificates shall be free and clear of all liens, judgments, encumbrances and restrictions.

Section 2.04. [Seller agrees that it may not and shall not apply for or otherwise seek to achieve compliance under Section 242-8.7 (CO<sub>2</sub> budget units that co-fire eligible biomass) of the CO<sub>2</sub> Budget Trading Program (6 NYCRR Part 242), or any other state program operating as a part of the Regional Greenhouse Gas Initiative, on the basis of any MWh or emission of CO<sub>2</sub> or reduction in emissions of CO<sub>2</sub> or other benefit associated with the Tier-1 Renewable Energy Certificates or for any activity constituting performance under this Agreement.]

Section 2.05. In the event that Seller becomes entitled to or must apply for or take some other action under any emission-trading, emissions recordation or other regime other than the RES in order to secure a claim, title, credit, ownership, or rights of any type, nature or sort (“Title”) to any attributes associated with the Tier-1 Renewable Energy Certificates, or any certification, registration, verification or other memorialization of the creation of such attributes by the Bid Facility to which Seller may be entitled, Seller shall (i) notify NYSERDA of such opportunity, and, if requested to do so by NYSERDA, Seller shall (ii) take all actions necessary to apply for and secure such Title, to the maximum extent to which Seller is entitled, (iii) provide NYSERDA with evidence of taking such action; and (iv) convey such Title to NYSERDA whenever so secured.

Section 2.06. NYSERDA's obligations under this Agreement are expressly conditioned on the eligibility of Seller's Bid Facility, at the time of execution of this Agreement and throughout the duration of the Contract Delivery Term, under the RES eligibility rules and requirements as stated at Appendix A to the August Order [and, where appropriate, upon compliance by Seller with the requirements of Exhibit D]. NYSERDA and/or its designee shall have reasonable access to the Bid Facility for the purpose of verifying the continuing eligibility of the Bid Facility and its operation. Bid Facilities selected under this RFP will not be subject to subsequent changes in RES eligibility rules; however, in the event that the Bid Facility fails to maintain eligibility consistent with the RES requirements as adopted by the August Order, such ineligibility will extend to the attributes emanating from the Bid Facility. See also Section 17.04 Permits and Approvals.

Section 2.07. Commercial Operation Milestone Date. NYSERDA's obligations to purchase Tier-1 Renewable Energy Certificates and to make payment under this Agreement are conditional on the commencement by the Bid Facility of Commercial Operation at a minimum of 80% of the Bid Capacity on or before the Commercial Operation Milestone Date. The Commercial Operation Milestone Date shall be November 30, 2021. Seller may elect to extend the Commercial Operation Milestone Date; See Article XV.

Section 2.08. NYSERDA shall be free to sell, assign, transfer or otherwise subject to any encumbrance, any of the Tier-1 Renewable Energy Certificates NYSERDA shall acquire under this Agreement, at any time and from time to time to any entity and on such terms and conditions as NYSERDA may desire. Any financial or other consideration received by NYSERDA from any such action shall inure solely to NYSERDA's benefit, to be applied as determined by NYSERDA as the central procurement administrator of the RES Program or a successor and shall not affect the Seller's rights or obligations under the terms of this Agreement.

Section 2.09. Verification/Metering. The Actual Production and Actual Eligible Production of the Bid Facility must be capable of accurate and verifiable measurement at the Injection Point by the local ISO, a transmission utility, public authority, municipal electric company, through a Dedicated Generation Meter. Unless specifically agreed to by NYSERDA in writing, the Bid Facility must be separately metered and must be functionally represented by a single and discrete Injection Point.

Section 2.10. Dedicated Generation Meter. Seller must provide, install, and maintain a dedicated generation meter at the Injection Point that shall be compliant with the requirements and standards stated in the NYGATS Operating Rules at Section 5.3. Revenue Metering Standards. Data collected from the meter will be available to NYSERDA and will be used by NYSERDA to verify the monthly Actual Eligible Production.

### Article III

#### Bid Facility Electricity Delivery Requirements.

Section 3.01. Bid Facilities in the NYCA. The electricity associated with the Tier-1 Renewable Energy Certificates for Bid Facilities located within the New York Control Area must

be either:

- (1) delivered into a market administered by the NYISO for end-use in New York State; or
- (2) delivered through a wholesale meter under the control of a utility, public authority, or municipal electric company such that it can be measured, and such that consumption within New York State can be tracked and verified by such entity or by the NYISO; or (3)
- delivered through a Dedicated Generation Meter, in accordance with Section 2.10.

Section 3.02. External Bid Facilities. [The electricity associated with the Tier-1 Renewable Energy Certificates for Bid Facilities in control areas adjacent to the New York Control Area shall be scheduled, transmitted, delivered to and settled in the NYISO energy market in each hour, and be accompanied with documentation of a unit-specific contract path between the Injection Point in the control area of origin to the Delivery Point in New York that includes the provision of transmission or transmission rights for delivering the generation via the NYISO using the North American Electric Reliability Corporation (NERC) tag fields Sending and Receiving Control Areas (CA) and Purchasing/Selling Entity (PSE) Name and Number. Compliance with this Delivery Requirement shall be verified by NYGATS which shall require an attestation from the importer that the information contained in the NYISO schedule is accurate and that the electricity associated with the import is being delivered solely from the selected resource. Seller shall provide, at NYSERDA's request, the NERC tag information from the OATI (Open Access Technology International) System or the NY JESS Contract ID from the Joint Energy Scheduling System (JESS) listing the External Bid Facility name as the Source for the scheduled and transmitted electricity from the External Bid Facility into the NYISO. The Tier-1 Renewable Energy Certificates must follow the NYGATS Operating Rules for Unit-Specific Imports of Energy and Attributes under the Energy Scheduled and Delivered methodology. The number of Unit-Specific Import Certificates that will be created will be the lesser of the hourly energy schedule of the import, or the hourly meter reading of the Bid Facility.]

Section 3.03. Bilateral Sales. Bilateral sales for electricity associated with the Quantity Obligation produced by the Bid Facility are permissible provided the Seller can demonstrate that the purchaser of the electricity associated with the Quantity Obligation is a New York State Load Serving Entity (LSE), or one or more New York State end-users.

## Article IV

### Pricing and Payment

#### Section 4.01. Determination of Monthly REC Price for Index REC.

(a) The Monthly REC Price shall equal the Index REC Strike Price minus the Reference Energy Price minus the Reference Capacity Price, subject to the condition that the Monthly REC Price may not exceed the Index REC Strike Price.

(i) The Index REC Strike Price, for each month in the applicable Contract Year shall be \$ \_\_\_\_\_ [, as may be modified pursuant to Section 5.02(e) of this Agreement].

(ii) The Reference Energy Price for each month shall be calculated by NYSERDA using data published by NYISO for its day-ahead energy market. NYSERDA shall:

(A) identify the location-based marginal price (“LBMP”) for each hour of the month in the Applicable Zone; and

(B) take the simple (not load-weighted) average of each such hourly LBMP to determine the Reference Energy Price.

(iii) The Reference Capacity Price for each month shall be calculated by NYSERDA using data published by NYISO for its monthly spot market unforced capacity (“UCAP”) prices. NYSERDA shall:

(A) identify the UCAP price (in dollars per kW-month) for such month in the Applicable Zone (“Reference UCAP Price”);

(B) take the product of:

(1) the Reference UCAP Price (\$/kW-month);

(2) the UCAP Production Factor for the Winter Capability Period [XX%] or the Summer Capability Period [XX%], as applicable;

(3) the Installed Capacity (MW); and

(4) a conversion factor of 1,000 kW/MW.

(C) divide the total amount of dollars calculated in (B) by the total amount of Tier-1 RECs produced from the Bid Facility for such month (including any Tier-1 RECs produced in excess of the Annual REC Cap or otherwise not committed for sale to NYSERDA under this Agreement) to determine the Reference Capacity Price.

(D) In any month in which NYISO subjects the Applicable Zone to buyer-side mitigation in a manner that has the effect of excluding one or more generators eligible under Tier-1 of the CES from participating at their full capacity in the NYISO Capacity Market for the Applicable Zone, the Reference Capacity Price shall be multiplied by a Mitigation Factor. The Mitigation Factor shall be calculated as the percentage of UCAP offered in the Applicable Zone and Applicable Class Year by Qualified Renewable Exemption Applicants, as defined in the NYISO Services Tariff Att. H, that has been determined to be exempt from the Offer Floor requirement imposed by the NYISO Services Tariff Att. H, Section 23.4.5.

(b) The following formulae depict the calculation of the Monthly REC Price in accordance with Section 4.01(a).

$$\text{Monthly REC Price} = SP^{\text{Index}} - \text{REP} - \text{RCP} \times \text{MF}$$



where:

$SP^{Index}$  = Index REC Strike Price (\$/MWh)

REP = Reference Energy Price (\$/MWh)

RCP = Reference Capacity Price (\$/MWh)

MF = Mitigation Factor (%) (if applicable)

The calculation of each month's Reference Capacity Price will be based on a Reference UCAP Price. The Reference UCAP Price is converted to its \$/MWh equivalent, the Reference Capacity Price, through the following equation.

$RCP = (RUP \times UPF \times IC \times 1,000) / \text{Total RECs}$

where:

RUP = Reference UCAP Price (\$/kW-month)

UPF = UCAP Production Factor (decimal fraction) for the Summer Capability Period or Winter Capability Period as applicable.

IC = Installed Capacity of the Bid Facility (MW)

Total RECs = Total Number of Tier-1 RECs produced by the Bid Facility in the subject month (MWh)

1,000 = kW to MW conversion factor

Section 4.02. [RESERVED].

Section 4.03. Invoices. Seller shall submit monthly invoices throughout the Contract Delivery Term of this Agreement for the Tier-1 Renewable Energy Certificates transferred by Seller into the NYSERDA NYGATS Account and associated with the Actual Eligible Production in the prior month during the Contract Delivery Term. Payments will commence after the Bid Facility has been Operationally Certified, retroactive to the commencement of the Contract Delivery Term. Invoices shall be submitted electronically to NYSERDA's online invoice system at: <https://services.nyserda.ny.gov/Invoices/> or, if this Bid Facility is managed through NYSERDA's Salesforce application, via NYSERDA's Salesforce Portal with the Seller's log-in credentials. If electronic submission is not possible, invoices may be addressed to NYSERDA, "Attention: Accounts Payable." Invoices shall reference the purchase order number, which will be generated and provided to the Seller upon contract execution, and the Agreement number

shown on page 1 of this Agreement. Invoices shall include a statement of the amount due and payable by NYSERDA to Seller, which amount shall be calculated in accordance with Section 4.02. Invoices must reflect the quantity of Tier-1 Renewable Energy Certificates Transferred to the NYSERDA NYGATS Account for the prior month. NYSERDA may not pay any Invoice submitted more than two (2) months after Transfer of Tier-1 Renewable Energy Certificates for which payment is requested. Invoices must be accompanied by information and data, as specified in Section 6.01, sufficient for NYSERDA to verify compliance with the Bid Facility Electricity Delivery Requirements (Article III) and other requirements as may be outlined in this Agreement.

Section 4.04. Payment.

(a) The amount payable in a given month shall be calculated as the lesser of: (i) the multiplicative product of (A) the Actual Eligible Production of the Bid Facility during the prior month; (B) the Bid Quantity Percentage; and (C) the Bid Monthly REC Price, and (ii) the number of Tier-1 Renewable Energy Certificates Transferred into the NYSERDA NYGATS Account during the prior month multiplied by the Bid Monthly REC Price. NYSERDA will not pay for Tier-1 Renewable Energy Certificates beyond one hundred and twenty percent (120%) of the Bid Quantity for any Contract Year.

(b) Payments will commence after the Bid Facility has been Operationally Certified, retroactive to the commencement of the Contract Delivery Term. NYSERDA agrees to grant or deny Operational Certification within thirty (30) days after Seller has submitted a fully complete Operational Certification application demonstrating Tier-1 eligibility and the Bid Facility is registered in NYGATS.

(c) If, for any month, the amount payable to Seller is a negative amount because the Monthly REC Price for that month was negative, NYSERDA shall make no payment to Seller for that month and instead shall record a debit in such amount ("Monthly Debit"). Any Monthly Debit shall be deducted from each subsequent month's payment by NYSERDA until the Monthly Debit is fully recovered. Any Monthly Debit that goes unrecovered for twelve months shall be settled by Seller in cash within thirty (30) days after the conclusion of such twelve-month period, except that all Monthly Debts outstanding at the conclusion of the Contract Delivery Term shall be settled by Seller in cash within thirty (30) days after the conclusion of the Contract Delivery Term.

Section 4.05. Prompt Payment Policy. NYSERDA will make payments to the Seller in accordance with and subject to its Prompt Payment Policy Statement, attached hereto as Exhibit C. Such payments shall be made by check or wire transfer to an account designated by the Seller. NYSERDA will not pay any invoice not accompanied by all information required in accordance with Section 6.01.

Section 4.06. Suspension. Should NYSERDA determine that Seller has failed to pay at least the Prevailing Wage in accordance with Section 18.10, NYSERDA will notify Seller in writing and will suspend payments to the Seller until any discrepancy in payment is cured; the cure period will continue for 12 months from the date of notification, after which time the Agreement shall be considered in default.

~~Section 4.07. Maximum Commitment/Limitation. The maximum number of Tier 1 Renewable Energy Certificates NYSERDA shall be obligated to purchase under this Agreement shall be equal to the Annual REC Cap multiplied by the Bid Price multiplied by the number of years in the Contract Delivery Term. The maximum aggregate amount payable by NYSERDA to Seller hereunder is (\$ \_\_\_\_\_ .00).~~

Section 4.07. Changes in Law.

(a) In the event that a change in Applicable Law after the Effective Date changes, or on the date such change takes effect (“Change in Law Date”) will change, the price structure or methodology, settlement, zonal structure, or terminology used in either the NYISO Energy Market or NYISO Capacity Market such that the calculation of Reference Energy Price or Reference Capacity Price becomes impossible or no longer reasonably reflects the objective of providing a market-based index of energy and/or capacity prices in the Applicable Zone, in each case as they existed on the Effective Date, the Parties shall negotiate in good faith to amend this Agreement, prospective from the Change in Law Date, to make such conforming changes as are necessary to achieve that objective.

(b) In the event that a change in Applicable Law after the Effective Date eliminates the NYISO Capacity Market entirely and without replacement, the Parties agree the Reference Capacity Price shall be zero. In the event that a change in Applicable Law after the Effective Date replaces the NYISO Capacity Market with a new resource adequacy construct, the Parties agree to negotiate in good faith to amend this Agreement, prospective from the Change in Law Date, to make such conforming changes as are necessary to replace the current Reference Capacity Price formula with a formula that reasonably comprises an index of prices available to generators in the Applicable Zone under the new resource adequacy construct.

Article V

Adjustments

Section 5.01. True-Up Adjustments. NYSERDA may adjust payments to subsequent invoices consistent with adjustments by NYGATS pursuant to its Operating Rules based on NYISO or other local control area billing settlement true-up procedures, based on actual metered production data measured at the Injection Point, actual and verified data reflecting compliance with the Bid Facility Electricity Delivery Requirements, and/or based on the number of Tier-1 Renewable Energy Certificates Transferred.

Section 5.02. Other Adjustments. NYSERDA may adjust its contractual Payment obligations under this Agreement under the following circumstances:

- (a) For External Bid Facilities, NYSERDA may adjust amounts payable to Seller to reflect any costs borne by NYSERDA, if any, for participation in any renewable energy attribute accounting system operating in the Bid Facility’s local control area, including all fees and

charges, if any, for the delivery, registration and/or retirement of the attributes or certificates in such renewable energy attribute accounting system.

- (b) Should Seller fail to Transfer Tier-1 Renewable Energy Certificates to the NYSERDA NYGATS Account in a number at least 80% of the Bid Quantity, less any Excused Production, for three (3) consecutive Contract Years, NYSERDA may at its option upon Notice to Seller, modify this Agreement by adjusting the Bid Quantity for the remainder of the Contract Delivery Term to an amount equal to the highest Actual Annual Eligible Production during any Contract Year over that three-year period multiplied by the Bid Quantity Percentage.
- (c) Should Seller fail to reasonably demonstrate that the total dollar amount of Incremental Economic Benefits having accrued to New York as a result of the development, construction, modification, and operation of the [Bid Facility/Upgrade from the Award Notification Date] through the end of the first three (3) Contract Years of operation (Verified Total Dollars), divided by Installed Capacity, is at least 85% of Expected Total Dollars divided by the Bid Capacity, NYSERDA may at its option upon Notice to Seller, modify this Agreement by reducing the ~~Bid Index REC Strike Price payable~~ for the remainder of the Contract Delivery Term. Such reduction in the ~~Bid Index REC Strike Price~~ will be made by an amount equal to the percentage shortfall between the Verified Total Dollars divided by the Installed Capacity compared to the Expected Total Dollars divided by the Bid Capacity.
- (d) Should the Installed Capacity differ from the Bid Capacity, Seller agrees that NYSERDA may at its option upon Notice to Seller modify the Contract by adjusting the Bid Quantity, Bid Quantity Percentage, or other relevant terms to reflect the Installed Capacity.
- (e) [For Bid Facilities that include Energy Storage, should the Energy Storage component not reach Commercial Operation with the proposed Storage Capacity (MWh) on or before the Commercial Operation Milestone Date, NYSERDA may, upon Notice to Seller, reduce the ~~Bid Index REC Strike Price by (state in words) (\$ \_\_\_\_\_)~~, an amount equal to the Energy Storage Component Price Reduction Amount.]

## Article VI

### Records and Reports

#### Section 6.01. Monthly Reports.

(a) NYSERDA will require the Seller to provide access to generation data, including detailed monthly market accounting settlement or other pertinent data from the administrator(s) of the energy market into which energy from the Bid Facility was delivered, from the entity or party in control of any meter through which the energy associated with the Quantity Obligation was delivered, and from the administrator of any attribute accounting system operating in such control area. Seller may be required to waive confidentiality, as to NYSERDA, for the direct transfer to NYSERDA by an energy market administrator or the operator of the transmission and/or distribution system into which the energy from the Bid Facility is delivered of transactional and/or delivery information and

data pertinent to the verification of attribute creation and electricity delivery. [Where appropriate, Seller must also provide a Monthly Fuel Report, completed in accordance with Exhibit D.]

(b) [Energy Storage Performance Metrics. For projects that include Energy Storage: Consistent with VII. Measurement and Verification of the Program Manual for the Bulk Energy Storage Incentive Program, NYSERDA will require 15-minute interval data to assess the carbon impact from the Energy Storage. A NYSERDA quality assurance contractor to be identified by NYSERDA shall be provided interval data showing 15-minute charge and discharge data from the Energy Storage through an automated data transfer. This shall be established at Operational Certification, and this data shall be provided for at least five years. During the Contract Delivery Term NYSERDA will request an annual report describing the services the Energy Storage provided to the NYCA during the previous year.]\_\_

Section 6.02. Progress Reports/Material Change. Beginning on the first such date following the Effective Date, and continuing through the commencement of the Contract Delivery Term, Seller shall provide quarterly written Progress Reports to NYSERDA, no later than March 1 (for the preceding period of November 16 through February 15), June 1 (for the preceding period of February 16 through May 15), September 1 (for the preceding period of May 16 through August 15), and December 1 (for the preceding period of August 16 through November 15), which reports shall be in electronic form, through a method specified by NYSERDA, and which shall describe at a minimum (1) Seller's progress in obtaining and securing all required environmental or other permits and/or local approvals; (2) the status of all development and/or construction planning or activities with regard to the Bid Facility; (3) the status of the interconnection process between the Bid Facility and the administrator of the control area; (4) purchases, delivery, and/or installation of any major equipment associated with the Bid Facility; and (5) an estimated date for Commercial Operation. Such reports shall also include an updated Project Schedule with key milestones identified, copies of any permits or approvals granted and/or copies of any correspondence of any type denying or refusing any permit or approval. Upon NYSERDA's request, Seller shall also provide an independent engineer's or similar third party's assessment of the long-term expected energy production of the Bid Facility. Seller shall notify NYSERDA within ten (10) days of any event that could reasonably cause a material delay in any of the activities listed above. During the Construction Period, Seller shall include with each Progress Report either (a) a written attestation prepared by a New York State independent certified public accountant or other qualified party, in a form to be agreed upon, confirming that the Seller is in compliance with the Prevailing Wage requirement set forth in Section 18.10 or (b) a written certification signed by Seller's contractor providing construction services for the Bid Facility, certifying that such services were performed in compliance with the Prevailing Wage requirement set forth in Section 18.10 (See Sections 4.04 and 18.10).

Section 6.03. Community Outreach. Each Progress Report shall include detail regarding the status of any ongoing communication with host communities and local governments, including community outreach events, open houses, town/planning board meetings, progress achieved in accordance with the community outreach plan provided in the Bid Proposal, status of organized support and opposition groups, and identification of potential host community issues.

Section 6.04. Economic Benefits Report. Within ninety (90) days of the third anniversary of the commencement of the Contract Delivery Term, Seller shall submit an economic benefits report prepared by a New York State independent certified public accountant, demonstrating the actual Incremental Economic Benefits that resulted from the construction and operation of the Bid Facility. To fulfill this requirement, the Seller's independent certified public accountant will be required to prepare an "agreed upon procedures" report in accordance with the procedures outlined in the Economic Benefits Audit Protocol and Economic Benefits Verification Standards that were released with the Notice of Qualification provided to Seller. The Economic Benefits Audit Protocol will serve as a requirements document to guide the independent audit, allowing auditors to understand the process they are asked to perform. The Economic Benefits Verification Standards will define valid expense claims and standardize submission and documentation processes and best practices. The audit will verify the economic benefits created by the Bid Facility under the categories and within the eligibility requirements listed in RESRFP19-1. The Economic Benefits Report will be funded at the Seller's expense.

Section 6.05. Additional Documents. Within 30 Business Days of Notice of Award under RESRFP19-1, Seller shall provide to NYSERDA:

- (a) certificates, dated as of the most recent practicable date prior to the Effective Date, issued by the [insert - jurisdiction of Seller's organization] Secretary of State confirming the corporate good standing of the Seller;
- (b) a certificate of an appropriate officer of the Seller, dated as of the most recent practicable date prior to the Effective Date, in form and substance reasonably satisfactory to NYSERDA and certifying: (1) the names and signatures of the officers of the Seller authorized to sign any documents to be delivered hereunder, and (2) the accuracy and completeness of resolutions of the Seller, authorizing and approving all matters in connection with the transactions contemplated thereby.

Seller shall promptly provide NYSERDA with updated and corrected versions of the above-referenced certificates upon any change in the information provided therein.

Section 6.06. Maintenance of Records. The Seller shall keep, maintain, and preserve at its principal office throughout the term of this Agreement and for a period of seven (7) years following the expiration of this Agreement, full and detailed books, accounts, and records pertaining to Seller's performance under the Agreement, including without limitation, all bills, invoices, payrolls, subcontracting efforts and other data evidencing, or in any material way related to, the direct and indirect costs and expenses incurred by the Seller in the course of such performance.

Section 6.07. Site Control. Unless otherwise agreed to by NYSERDA in writing, within one hundred and ninety (190) days of the Award Notification Date, Seller shall provide documentation demonstrating rights-of-way or full control of the acreage needed for any interconnection facilities, and, should the Bid Facility site acreage exceed fifteen (15) acres, documentation demonstrating full control of the Bid Facility site acreage.

Section 6.08. [Energy Storage Technical Working Group. Seller or an appropriate representative of Seller shall reasonably participate in an Energy Storage Technical Working Group (ES TWG) as requested by NYSERDA. This may include participating in meetings and engaging with other relevant stakeholder groups within the ES TWG regarding the Bid Facility and Energy Storage.]

Section 6.09. [Energy Storage Interconnection. Within 90 days of the Award Notification Date, Seller shall provide documentation demonstrating an Interconnection Request has been submitted and associated fees paid. The Interconnection Request will be consistent with the Bid Storage Capacity and Energy Storage as proposed to NYSERDA.]

## Article VII

### Audit

Section 7.01. Audit. NYSERDA shall have the right from time to time and at all reasonable times during the term of the Agreement and such period thereafter to inspect and audit any and all books, accounts and records pertaining to Seller's performance under this Agreement, at the office or offices of the Seller where they are then being kept, maintained and preserved. If such books, accounts and records are not kept at an office within the State of New York, within a reasonable time of a request by NYSERDA, Seller shall make such books, accounts and records available to NYSERDA at NYSERDA's offices or at an agreed upon location within the State of New York. Any payment made under this Agreement shall be subject to retroactive adjustment (reduction or increase) regarding amounts included therein which are found by NYSERDA on the basis of any audit of the Seller by an agency of the United States, the State of New York or NYSERDA not to constitute a properly invoiced amount.

Section 7.02. Eligibility Audit. NYSERDA may require periodic audits of the Bid Facility to verify that the Bid Facility remains eligible under the eligibility rules and requirements adopted by the PSC in the August Order. Seller shall provide NYSERDA with written Notice prior to any material modification of the Bid Facility, including but not limited to any modification that is expected to result in a change in the Nameplate Capacity of the Bid Facility, and shall provide to NYSERDA a written description of the planned modification.

## Article VIII

### Assignments

Section 8.01. General Restrictions. Except as specifically provided otherwise in this Article VIII, the assignment, transfer, conveyance, subcontracting or other disposal of this Agreement or any of the Seller'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.

Section 8.02. Seller may, without NYSERDA's prior written consent, grant a security interest in or assign this Agreement as collateral in connection with financing arrangements; Seller shall promptly notify NYSERDA of the completion and the nature of any such grant or

assignment. NYSERDA shall make reasonable efforts to provide such consents to collateral assignment or other documents (including estoppel certificates related to a tax equity financing) as may be reasonably requested by the Seller; provided, Seller shall promptly reimburse NYSERDA for all reasonable and documented costs and expenses incurred by NYSERDA (including costs of external counsel) in connection with the review, negotiation, execution and delivery of any documents or information pursuant to Section 8.02.

Section 8.03. 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.

## Article IX

### Seller's Warranties and Guarantees

Section 9.01. As a material inducement to NYSERDA to enter into this Agreement, Seller makes the following warranties and guarantees, as of the Effective Date, all of which shall survive the execution and delivery of this Agreement:

- (a) (1) that Seller is a [corporation/limited liability company/partnership] duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (2) has or will have all requisite corporate power, and has or will have all material governmental permits necessary to own its assets or lease and operate its properties and carry on its business as now being or as proposed to be conducted, to construct, finance, own, maintain and operate the Bid Facility, to execute and deliver this Agreement, and to consummate the transactions contemplated herein; and (3) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary;
- (b) that the execution, delivery and performance by Seller, the entry into this Agreement by Seller, and the consummation of the transactions contemplated by this Agreement: (1) have been duly authorized by all requisite corporate action (including any required action of its members); and (2) will not (i) violate any applicable provision of law, statute, rule, regulation or order of any governmental agency or any provision of the limited liability company agreement or other governing documents of Seller; (ii) violate, conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default or an event of default under any indenture, agreement (including the respective limited liability company agreements of Seller), mortgage, deed of trust, note, lease, contract or other instrument to which Seller is a party or by which it or any of its property is bound; or (iii) result in the creation or imposition of any lien upon any property or assets of the Seller;



- (c) that the Bid Facility is or will be eligible under the August Order and that it will remain so throughout the Contract Delivery Term.
- (d) that the Tier-1 Renewable Energy Certificates Transferred to NYSERDA under this Agreement, will be free and clear of any liens, encumbrances and/or defects of title as of the date of Transfer;
- (e) that the attributes included in the Tier-1 Renewable Energy Certificates Transferred to NYSERDA under this Agreement shall not have otherwise been, nor will be sold, retired, claimed or represented as part of electricity output or sales, or used to satisfy obligations in any other jurisdiction;
- (f) that Seller will comply with all general and special Federal, State, municipal and local laws, ordinances and regulations, if any, that may in any way affect the performance of this Agreement;
- (g) that this Agreement will be duly executed and delivered by Seller and will constitute the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof;
- (h) that the Seller has no knowledge of any patent issued under the laws of the United States or any other matter which could constitute a basis for any claim that Seller's performance under this Agreement will infringe any patent or otherwise interfere with any other right of any person;
- (i) as of the Effective Date, that there are no existing undisclosed or threatened material legal actions, claims, or encumbrances, or liabilities that may adversely affect Seller's performance of this Agreement or NYSERDA's rights hereunder;
- (j) that Seller has no knowledge that any information or document or statement furnished by the Seller in connection with this Agreement or the documents submitted to NYSERDA under RESRFP19-1 contain any untrue statement of a material fact or omits to state a material fact necessary to make the statement not misleading;
- (k) that Seller shall not, and shall not cause or permit any voluntarily abandonment of the development, construction or operation of the Bid Facility; and
- (l) Seller certifies that all information provided to NYSERDA with respect to State Finance Law Sections 139-j and 139-k is complete, true and accurate; and
- (m) that Seller is familiar with and will comply with NYSERDA's Code of Conduct for Contractors, Consultants, and Vendors with respect to the performance of this Agreement (<http://www.nyserda.ny.gov/-/media/Files/About/Board-Governance/NYSERDA-Code-of-Conduct-Contractors.pdf>).

Article X



































EXHIBIT A

REVISED 5/12

STANDARD TERMS AND CONDITIONS  
FOR ALL NYSERDA AGREEMENTS<sup>4</sup>

(Based on Standard Clauses for New York State Contracts and Tax Law Section 5-a)

The parties to the Agreement agree to be bound by the following clauses which are hereby made a part of the Agreement:

1. NON-DISCRIMINATION REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is an Agreement for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this Agreement shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this Agreement. If this is a building service Agreement as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this Agreement. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this Agreement and forfeiture of all moneys due hereunder for a second subsequent violation.

2. WAGE AND HOURS PROVISIONS. If this is a public work Agreement covered by Article 8 of the Labor Law or a building service Agreement covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law. Additionally, effective April 28, 2008, if this is a public work contract covered by Article 8 of the Labor Law, the Contractor understands and agrees that the filing of payrolls in a manner consistent with Subdivision 3-a of Section 220 of the Labor Law shall be a condition precedent

<sup>4</sup> NYSERDA's Standard Forms and Agreements can be found on NYSERDA's website:  
<https://www.nyserda.ny.gov/Funding-Opportunities/Standard-Forms-and-Agreements>

to payment by NYSERDA of any NYSERDA-approved sums due and owing for work done upon the project.

3. NON-COLLUSIVE BIDDING REQUIREMENT. In accordance with Section 2878 of the Public Authorities Law, if this Agreement was awarded based upon the submission of bids, Contractor warrants, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further warrants that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to NYSERDA a non-collusive bidding certification on Contractor's behalf.

4. INTERNATIONAL BOYCOTT PROHIBITION. If this Agreement exceeds \$5,000, the Contractor agrees, as a material condition of the Agreement, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the Federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the Agreement's execution, such Agreement, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify NYSERDA within five (5) business days of such conviction, determination or disposition of appeal. (See and compare Section 220-f of the Labor Law, Section 139-h of the State Finance Law, and 2 NYCRR 105.4).

5. SET-OFF RIGHTS. NYSERDA shall have all of its common law and statutory rights of set-off. These rights shall include, but not be limited to, NYSERDA's option to withhold for the purposes of set-off any moneys due to the Contractor under this Agreement up to any amounts due and owing to NYSERDA with regard to this Agreement, any other Agreement, including any Agreement for a term commencing prior to the term of this Agreement, plus any amounts due and owing to NYSERDA for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto.

6. PROPRIETARY INFORMATION. Notwithstanding any provisions to the contrary in the Agreement, Contractor and NYSERDA acknowledge and agree that all information, in any format, submitted to NYSERDA shall be subject to and treated in accordance with the NYS Freedom of Information Law ("FOIL," Public Officers Law, Article 6). Pursuant to FOIL, NYSERDA is required to make available to the public, upon request, records or portions thereof which it possesses, unless that information is statutorily exempt from disclosure. Therefore, unless the Agreement specifically requires otherwise, Contractor should submit information to NYSERDA in a non-confidential, non-proprietary format. FOIL does provide that NYSERDA may deny access to records or portions thereof 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." [See Public Officers Law, § 87(2)(d)]. Accordingly, if the Agreement specifically requires submission of information in a format Contractor considers a proprietary and/or confidential trade secret, Contractor shall fully identify and plainly label the information "confidential" or "proprietary" at the time of disclosure. By so marking such information, Contractor represents that the information has actual or potential specific commercial or

competitive value to the competitors of Contractor. Without limitation, information will not be considered confidential or proprietary if it is or has been (i) generally known or available from other sources without obligation concerning its confidentiality; (ii) made available by the owner to others without obligation concerning its confidentiality; or (iii) already available to NYSERDA without obligation concerning its confidentiality. In the event of a FOIL request, it is NYSERDA's policy to consider records as marked above pursuant to the trade secret exemption procedure set forth in 21 New York Codes Rules & Regulations § 501.6 and any other applicable law or regulation. However, NYSERDA cannot guarantee the confidentiality of any information submitted. More information on FOIL, and the relevant statutory law and regulations, can be found at the website for the Committee on Open Government (<https://www.ny.gov/programs/open-foil-ny>) and NYSERDA's Regulations, Part 501 (<https://www.nyserda.ny.gov/About/New-York-State-Regulations>).

7. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION. (a) FEDERAL EMPLOYER IDENTIFICATION NUMBER and/or FEDERAL SOCIAL SECURITY NUMBER. As a condition to NYSERDA's obligation to pay any invoices submitted by Contractor pursuant to this Agreement, Contractor shall provide to NYSERDA its Federal employer identification number or Federal social security number, or both such numbers when the Contractor has both such numbers. Where the Contractor does not have such number or numbers, the Contractor must give the reason or reasons why the payee does not have such number or numbers.

(b) PRIVACY NOTIFICATION. The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by Contractor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law.

8. CONFLICTING TERMS. In the event of a conflict between the terms of the Agreement (including any and all attachments thereto and amendments thereof) and the terms of this Exhibit A, the terms of this Exhibit A shall control.

9. GOVERNING LAW. This Agreement shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

10. NO ARBITRATION. Disputes involving this Agreement, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily required) without the NYSERDA's written consent, but must, instead, be heard in a court of competent jurisdiction of the State of New York.

11. SERVICE OF PROCESS. In addition to the methods of service allowed by the State Civil Practice Law and Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon NYSERDA's receipt of the return thereof by the

United States Postal Service as refused or undeliverable. Contractor must promptly notify NYSERDA, in writing, of each and every change of address to which service of process can be made. Service by NYSERDA to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

12. CRIMINAL ACTIVITY. If subsequent to the effectiveness of this Agreement, NYSERDA comes to know of any allegation previously unknown to it that the Contractor or any of its principals is under indictment for a felony, or has been, within five (5) years prior to submission of the Contractor's proposal to NYSERDA, convicted of a felony, under the laws of the United States or Territory of the United States, then NYSERDA may exercise its stop work right under this Agreement. If subsequent to the effectiveness of this Agreement, NYSERDA comes to know of the fact, previously unknown to it, that Contractor or any of its principals is under such indictment or has been so convicted, then NYSERDA may exercise its right to terminate this Agreement. If the Contractor knowingly withheld information about such an indictment or conviction, NYSERDA may declare the Agreement null and void and may seek legal remedies against the Contractor and its principals. The Contractor or its principals may also be subject to penalties for any violation of law which may apply in the particular circumstances. For a Contractor which is an association, partnership, corporation, or other organization, the provisions of this paragraph apply to any such indictment or conviction of the organization itself or any of its officers, partners, or directors or members of any similar governing body, as applicable.

13. PERMITS. It is the responsibility of the Contractor to acquire and maintain, at its own cost, any and all permits, licenses, easements, waivers and permissions of every nature necessary to perform the work.

14. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this Agreement will be in accordance with, but not limited to, the specifications and provisions of State Finance Law Section 165 (Use of Tropical Hardwoods), which prohibits purchase and use of tropical hardwoods, unless specifically exempted by NYSERDA.

15. OMNIBUS PROCUREMENT ACT OF 1992. It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development  
Division for Small Business  
625 Broadway  
Albany, New York 12207  
Telephone: 518-292-5200  
Fax: 518-292-5884  
<http://www.esd.ny.gov>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development  
Division of Minority and Women's Business Development  
625 Broadway  
Albany, New York 12207  
Telephone: 518-292-5200  
Fax: 518-292-5803  
<http://www.esd.ny.gov>

The Omnibus Procurement Act of 1992 requires that by signing this Agreement, Contractors certify that whenever the total amount is greater than \$1 million:

(a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the State;

(b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

(c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the State upon request; and

(d) The Contractor acknowledges notice that the State may seek to obtain offset credits from foreign countries as a result of this Agreement and agrees to cooperate with the State in these efforts.

16. RECIPROCITY AND SANCTIONS PROVISIONS. Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. NOTE: As of May 15, 2002, the list of discriminatory jurisdictions subject to this provision includes the states of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii. Contact NYS Department of Economic Development for a current list of jurisdictions subject to this provision.

17. COMPLIANCE WITH NEW YORK STATE INFORMATION SECURITY BREACH AND NOTIFICATION ACT. Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Law Section 208).

18. PROCUREMENT LOBBYING. To the extent this Agreement is a “procurement contract” as defined by State Finance Law Sections 139-j and 139-k, by signing this Agreement the Contractor certifies and affirms that all disclosures made in accordance with State Finance Law Sections 139-j and 139-k are complete, true and accurate. In the event such certification is found to be intentionally false or intentionally incomplete, NYSERDA may terminate the agreement by providing written notification to the Contractor in accordance with the terms of the agreement.

19. COMPLIANCE WITH TAX LAW SECTION 5-a. The following provisions apply to Contractors that have entered into agreements in an amount exceeding \$100,000 for the purchase of goods and services:

- a) Before such agreement can take effect, the Contractor must have on file with the New York State Department of Taxation and Finance a Contractor Certification form (ST-220-TD).
- b) Prior to entering into such an agreement, the Contractor is required to provide NYSERDA with a completed Contractor Certification to Covered Agency form (Form ST-220-CA).
- c) Prior to any renewal period (if applicable) under the agreement, the Contractor is required to provide NYSERDA with a completed Form ST-220-CA.

Certifications referenced in paragraphs (b) and (c) above will be maintained by NYSERDA and made a part hereof and incorporated herein by reference.

NYSERDA reserves the right to terminate this agreement in the event it is found that the certification filed by the Contractor in accordance with Tax Law Section 5-a was false when made.

20. IRANIAN ENERGY SECTOR DIVESTMENT. In accordance with Section 2879-c of the Public Authorities Law, by signing this Agreement, each person and each person signing on behalf of any other party certifies, and in the case of a joint bid or partnership each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each person is not on the list created pursuant to paragraph (b) of subdivision 3 of section 165-a of the State Finance Law (See [www.ogs.ny.gov/about/regs/ida.asp](http://www.ogs.ny.gov/about/regs/ida.asp)).

EXHIBIT B  
LETTER OF CREDIT

FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_

DATE: \_\_\_\_\_, 20\_\_

BENEFICIARY:

THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY  
17 COLUMBIA CIRCLE, ALBANY, NEW YORK 12203-6399

LADIES AND GENTLEMEN:

BY THE ORDER OF:

[SELLER]

[SELLER'S ADDRESS]

WE HEREBY ISSUE OUR IRREVOCABLE CREDIT NO: \_\_\_\_\_ IN YOUR FAVOR FOR THE ACCOUNT OF \_\_\_\_\_ (THE "SELLER") FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE [STATE IN WORDS] U.S. DOLLARS AVAILABLE BY YOUR DRAFTS AT SIGHT ON [INSERT NAME AND ADDRESS OF ISSUING BANK], NEW YORK, NEW YORK, USA, WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. YOUR SIGHT DRAFT DRAWN ON US IN THE FORM OF ANNEX A HERETO (THE "SIGHT DRAFT"); AND
2. A DATED PAYMENT CERTIFICATE PURPORTEDLY SIGNED BY A DULY AUTHORIZED OFFICER OF NYSEDA IN THE FORM OF ANNEX B HERETO (THE "PAYMENT CERTIFICATE").

MULTIPLE DRAWINGS ARE PERMITTED IN AMOUNTS NOT TO EXCEED, IN COMBINATION, THE AGGREGATE AMOUNT.

DRAWINGS PRESENTED BY FACSIMILE TO FACSIMILE NUMBER \_\_\_\_\_ ARE ACCEPTABLE; PROVIDED THAT SUCH FAX PRESENTATION IS RECEIVED ON OR BEFORE THE EXPIRY DATE ON THIS INSTRUMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, IT BEING UNDERSTOOD THAT ANY SUCH FAX PRESENTATION SHALL BE CONSIDERED THE SOLE OPERATIVE INSTRUMENT OF DRAWING. IN THE EVENT OF PRESENTATION BY FAX, THE ORIGINAL DOCUMENTS SHOULD NOT BE PRESENTED.

FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO YOU AGAINST YOUR PAYMENT CERTIFICATE AND SIGHT DRAFT PRESENTED IN FULL COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT ON OR BEFORE 5:00 P.M., NEW YORK TIME, ON THE EXPIRATION DATE HEREOF. THIS LETTER OF CREDIT WILL EXPIRE ON [INSERT DATE].

PAYMENT AGAINST CONFORMING DOCUMENTS PRESENTED UNDER THIS LETTER OF CREDIT SHALL BE MADE BY US AT OR BEFORE 2:00 P.M., NEW YORK TIME, ON THE NEXT (OR, IN THE CASE OF A PRESENTATION AFTER 10:30 A.M., NEW YORK TIME, THE SECOND NEXT) BANKING DAY AFTER PRESENTATION.

ALL PAYMENTS MADE BY US UNDER THIS LETTER OF CREDIT WILL BE MADE IN IMMEDIATELY AVAILABLE FUNDS AND WILL BE DISBURSED FROM OUR OWN FUNDS. IF REQUESTED BY YOU, PAYMENT UNDER THIS LETTER OF CREDIT MAY BE MADE BY WIRE TRANSFER OF FEDERAL RESERVE BANK OF NEW YORK FUNDS TO YOUR ACCOUNT IN A BANK ON THE FEDERAL RESERVE WIRE SYSTEM. BENEFICIARY'S BANK [INSERT NAME AND ACCOUNT NUMBER].

RESRFP19-1 Standard Form Agreement

THIS LETTER OF CREDIT IS NOT TRANSFERABLE. ONLY YOU MAY MAKE ANY PAYMENT CERTIFICATE AND SIGHT DRAFT UNDER THIS LETTER OF CREDIT.

ANY SIGHT DRAFT DRAWN HEREUNDER MUST BE MARKED "DRAWN UNDER [INSERT NAME AND ADDRESS OF ISSUING BANK], STANDBY LETTER OF CREDIT NUMBER \_\_\_\_\_ DATE \_\_\_\_\_."

ALL BANK CHARGES INCLUDING BUT NOT LIMITED TO, FEES OR COMMISSIONS, SHALL BE FOR APPLICANT'S ACCOUNT.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT WRITTEN AMENDMENT FOR ONE YEAR PERIODS FROM THE PRESENT OR ANY FUTURE EXPIRY DATE UNLESS AT LEAST 30 CALENDAR DAYS PRIOR TO SUCH EXPIRATION DATE, WE SEND THE BENEFICIARY NOTICE AT THE ABOVE STATED ADDRESS BY OVERNIGHT COURIER THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE INITIAL OR ANY EXTENDED EXPIRY DATE HEREOF.

MISCELLANEOUS

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING. SUCH UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED OR AMPLIFIED BY REFERENCE TO ANY DOCUMENT OR INSTRUMENT REFERRED TO HEREIN OR IN WHICH THIS LETTER OF CREDIT IS REFERRED OR TO WHICH IT RELATES (INCLUDING, WITHOUT LIMITATION, THE AGREEMENT) AND ANY SUCH REFERENCE SHALL NOT BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY DOCUMENT OR INSTRUMENT.

WE HEREBY AGREE WITH YOU THAT EACH DULY COMPLETED PAYMENT CERTIFICATE AND SIGHT DRAFT DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION TO US ON OR BEFORE THE EXPIRY DATE. THE OBLIGATION OF [ISSUING BANK] UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF [ISSUING BANK] AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT THERETO.

EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION 600 (PROVIDED, HOWEVER, THAT DRAWINGS PERMITTED HEREUNDER SHALL NOT BE DEEMED TO BE DRAWINGS BY INSTALLMENTS WITHIN ARTICLE 32 OF THE UCP) AND AS TO MATTERS NOT GOVERNED BY THE UCP, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE U.S. FEDERAL LAW.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO THE ATTENTION OF OUR STANDBY LETTER OF CREDIT UNIT, INCLUDING THE LETTER OF CREDIT REFERENCE NUMBER AS IT APPEARS ABOVE.

[NAME AND ADDRESS OF ISSUING BANK]

\_\_\_\_\_  
AUTHORIZED SIGNATURE  
OF OFFICER OF ISSUING BANK



Annex A to Exhibit B - Irrevocable Standby Letter of Credit

SIGHT DRAFT

Letter of Credit No. \_\_\_\_\_

Date of Letter of Credit: \_\_\_\_\_

Date of Draft: \_\_\_\_\_

FOR VALUE RECEIVED

Pay on Demand to: THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, U.S. \_\_\_\_\_ Dollars (U.S. \$ \_\_\_\_\_). The amount of this draft does not exceed the amount available to be drawn by the Beneficiary under the Letter of Credit.

Charge to account of [Name of Seller].

Drawn under [Name of Bank] Letter of Credit No. \_\_\_\_\_.

Payment by the bank pursuant to this drawing shall be made to \_\_\_\_\_, ABA Number \_\_\_\_\_, Account Number \_\_\_\_\_, Attention: \_\_\_\_\_, Re: \_\_\_\_\_.

To: [Issuing Bank]  
[Address]  
Attention: \_\_\_\_\_

\_\_\_\_\_  
As Beneficiary

By: \_\_\_\_\_  
[Name and Title]

Annex B to Exhibit B - Irrevocable Standby Letter of Credit

PAYMENT CERTIFICATE

To:  
[Issuing Bank]  
[Address]

Re: Irrevocable Standby Letter of Credit No: \_\_\_\_\_ [Insert]

The undersigned, a duly authorized officer of the undersigned Beneficiary, hereby certifies to [Issuing Bank], with reference to the Irrevocable Standby Letter of Credit No: [Insert] (“Letter of Credit”), that Seller, having provided the Letter of Credit to the New York State Energy Research and Development Authority (“NYSERDA”) as Security for performance under NYSERDA Agreement No. \_\_\_\_\_ (“Agreement”) in the aggregate amount of \$ \_\_\_\_\_, (“Letter of Credit Amount”) either [check the appropriate space]:

\_\_\_\_\_ Seller failed to provide to NYSERDA, on or before the first Effective Date of the Agreement, Contract Security in the amount required under Section 15.01(b) of the Agreement, under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount.

\_\_\_\_\_ Seller has failed to perform in that Seller’s Bid Facility has failed to attain a Statement of Qualification and/or to commence Commercial Operation on or before the Commercial Operation Milestone Date of November 30, 2021; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount;

\_\_\_\_\_ Seller has failed to perform in that Seller’s Bid Facility has failed to attain a Statement of Qualification and/or to commence Commercial Operation on or before the Commercial Operation Milestone Date of May 31, 2022; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount;

\_\_\_\_\_ Seller has failed to perform in that Seller’s Bid Facility has failed to attain a Statement of Qualification and/or to commence Commercial Operation on or before the Commercial Operation Milestone Date of November 30, 2022; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount;

\_\_\_\_\_ Seller has failed to perform in that Seller’s Bid Facility has failed to attain a Statement of Qualification and/or to commence Commercial Operation on or before the Commercial Operation Milestone Date of May 31, 2023; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount;

\_\_\_\_\_ Seller has failed to perform in that Seller’s Bid Facility has failed to attain a Statement of Qualification and/or to commence Commercial Operation on or before the Commercial Operation Milestone Date of November 30, 2023; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount;

\_\_\_\_\_ Seller has failed to perform in that Seller’s Bid Facility has failed to attain a Statement of Qualification and/or to commence Commercial Operation on or before the Commercial Operation Milestone Date of May 31, 2024; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount;

\_\_\_\_\_ Seller has failed to perform in that Seller’s Bid Facility has failed to attain a Statement of Qualification and/or to commence Commercial Operation on or before the Commercial Operation Milestone Date of November 30, 2024; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount;

\_\_\_\_\_ The Installed Capacity is less than the Bid Capacity; under which circumstance, NYSERDA is authorized to draw a percentage of the Letter of Credit Amount, such percentage will be equal to the Bid Capacity minus the Installed Capacity divided by the Bid Capacity.

\_\_\_\_\_ NYSERDA has determined, through Operational Certification, that the percentage of encroachment of the Permanent Physical Footprint of the Bid Facility is greater than the Defined Percentage(s), under which circumstance, NYSERDA is authorized to draw an amount equal to twenty-five (25) percent of the Letter of Credit Amount.

\_\_\_\_\_ New York State Department of Agriculture and Markets has not notified NYSERDA that suitable corrective action has been taken, with regard to a failure to comply with the Construction Standards (Exhibit E), within 180 days of written notification by NYSERDA to Seller, under which circumstance, NYSERDA is authorized to draw an amount equal to twenty (20) percent of the Letter of Credit Amount.

\_\_\_\_\_ Seller has assigned its rights under the Agreement and the assignee has not delivered to the undersigned Beneficiary a replacement letter of credit satisfying the requirements of the Agreement; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount;

\_\_\_\_\_ the Letter of Credit is currently set to expire within thirty (30) days and the Seller has not made arrangements acceptable to the undersigned Beneficiary to provide a substitute letter of credit prior to such expiration; under which circumstance NYSERDA is authorized and entitled to draw an amount equal to one-hundred (100) percent of the Letter of Credit Amount.

The terms used herein which are not specifically defined herein are defined in the Letter of Credit or the Agreement, referenced above.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this payment Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
As Beneficiary

By: \_\_\_\_\_  
[Name and Title]

EXHIBIT C

NYSERDA PROMPT PAYMENT POLICY STATEMENT

**504.1. Purpose and Applicability.** (a) The purpose of this Exhibit is to provide a description of Part 504 of NYSERDA's regulations, which consists of NYSERDA's policy for making payment promptly on amounts properly due and owing by NYSERDA under this Agreement. The section numbers used in this document correspond to the section numbers appearing in Part 504 of the regulations.<sup>5</sup>

(b) This Exhibit applies generally to payments due and owing by the NYSERDA to the Contractor pursuant to this Agreement. However, this Exhibit does not apply to Payments due and owing when NYSERDA is exercising a Set-Off against all or part of the Payment, or if a State or Federal law, rule or regulation specifically requires otherwise.

**504.2. Definitions.** Capitalized terms not otherwise defined in this Exhibit shall have the same meaning as set forth earlier in this Agreement. In addition to said terms, the following terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(a) "Date of Payment" means the date on which NYSERDA requisitions a check from its statutory fiscal agent, the Department of Taxation and Finance, to make a Payment.

(b) "Designated Payment Office" means the Office of NYSERDA's Controller, located at 17 Columbia Circle, Albany, New York 12203.

(c) "Payment" means payment properly due and owing to Contractor pursuant to Article IV of this Agreement.

(d) "Prompt Payment" means a Payment within the time periods applicable pursuant to Sections 504.3 through 504.5 of this Exhibit in order for NYSERDA not to be liable for interest pursuant to Section 504.6.

(e) "Payment Due Date" means the date by which the Date of Payment must occur, in accordance with the provisions of Sections 504.3 through 504.5 of this Exhibit, in order for NYSERDA not to be liable for interest pursuant to Section 504.6.

(f) "Proper Invoice" means a written request for Payment that is submitted by a Contractor setting forth the description, price or cost, and quantity of goods, property or services delivered or rendered, in such form, and supported by such other substantiating documentation, as NYSERDA may reasonably require, including but not limited to any requirements set forth in this Agreement; and addressed to NYSERDA's Controller, marked "Attention: Accounts Payable," at the Designated Payment Office.

<sup>5</sup> This is only a summary; the full text of Part 504 can be accessed at:  
<https://www.nyserda.ny.gov/About/New-York-State-Regulations>

(g)(1) “Receipt of an Invoice” means:

(i) if the Payment is one for which an invoice is required, the later of:

(a) the date on which a Proper Invoice is actually received in the Designated Payment Office during normal business hours; or

(b) the date by which, during normal business hours, NYSERDA has actually received all the purchased goods, property or services covered by a Proper Invoice previously received in the Designated Payment Office.

(ii) if the Agreement provides that a Payment will be made on a specific date or at a predetermined interval, without having to submit a written invoice the 30th calendar day, excluding legal holidays, before the date so specified or predetermined.

(2) For purposes of this subdivision, if the Agreement requires a multifaceted, completed or working system, or delivery of no less than a specified quantity of goods, property or services and only a portion of such systems or less than the required goods, property or services are working, completed or delivered, even though the Contractor has invoiced NYSERDA for the portion working, completed or delivered, NYSERDA will not be in Receipt of an Invoice until the specified minimum amount of the systems, goods, property or services are working, completed or delivered.

(h) “Set-off” means the reduction by NYSERDA of a payment due a Contractor by an amount equal to the amount of an unpaid legally enforceable debt owed by the Contractor to NYSERDA.

**504.3. Prompt Payment Schedule.** Except as otherwise provided by law or regulation or in Sections 504.4 and 504.5 of this Exhibit, the Date of Payment by NYSERDA of an amount properly due and owing under this Agreement shall be no later than thirty (30) calendar days, excluding legal holidays, after Receipt of a Proper Invoice.

**504.4. Payment Procedures.**

(a) Unless otherwise specified in this Agreement, a Proper Invoice submitted by the Contractor to the Designated Payment Office shall be required to initiate payment for goods, property or services. As soon as any invoice is received in the Designated Payment Office during normal business hours, such invoice shall be date-stamped. The invoice shall then promptly be reviewed by NYSERDA.

(b) NYSERDA shall notify the Contractor within fifteen (15) calendar days after Receipt of an Invoice of:

- (1) any defects in the delivered goods, property or services;
- (2) any defects in the invoice; or

(3) suspected improprieties of any kind.

(c) The existence of any defects or suspected improprieties shall prevent the commencement of the time period specified in Section 504.3 until any such defects or improprieties are corrected or otherwise resolved.

(d) If NYSERDA fails to notify a Contractor of a defect or impropriety within the fifteen (15) calendar day period specified in subdivision (b) of this section, the sole effect shall be that the number of days allowed for Payment shall be reduced by the number of days between the 15th day and the day that notification was transmitted to the Contractor. If NYSERDA fails to provide reasonable grounds for its contention that a defect or impropriety exists, the sole effect shall be that the Payment Due Date shall be calculated using the original date of Receipt of an Invoice.

(e) In the absence of any defect or suspected impropriety, or upon satisfactory correction or resolution of a defect or suspected impropriety, NYSERDA shall make Payment, consistent with any such correction or resolution and the provisions of this Exhibit.

**504.5. Exceptions and Extension of Payment Due Date.** NYSERDA has determined that, notwithstanding the provisions of Sections 504.3 and 504.4 of this Exhibit, any of the following facts or circumstances, which may occur concurrently or consecutively, reasonably justify extension of the Payment Due Date:

(a) If this Agreement provides Payment will be made on a specific date or at a predetermined interval, without having to submit a written invoice, if any documentation, supporting data, performance verification, or notice specifically required by this Agreement or other State or Federal mandate has not been submitted to NYSERDA on a timely basis, then the Payment Due Date shall be extended by the number of calendar days from the date by which all such matter was to be submitted to NYSERDA and the date when NYSERDA has actually received such matter.

(b) If an inspection or testing period, performance verification, audit or other review or documentation independent of the Contractor is specifically required by this Agreement or by other State or Federal mandate, whether to be performed by or on behalf of NYSERDA or another entity, or is specifically permitted by this Agreement or by other State or Federal provision and NYSERDA or other entity with the right to do so elects to have such activity or documentation undertaken, then the Payment Due Date shall be extended by the number of calendar days from the date of Receipt of an Invoice to the date when any such activity or documentation has been completed, NYSERDA has actually received the results of such activity or documentation conducted by another entity, and any deficiencies identified or issues raised as a result of such activity or documentation have been corrected or otherwise resolved.

(c) If an invoice must be examined by a State or Federal agency, or by another party contributing to the funding of the Contract, prior to Payment, then the Payment Due Date shall be extended by the number of calendar days from the date of Receipt of an Invoice to the date when the State or Federal agency, or other contributing party to the Contract, has completed the inspection, advised NYSERDA of the results of the inspection, and any deficiencies identified

or issues raised as a result of such inspection have been corrected or otherwise resolved.

(d) If appropriated funds from which Payment is to be made have not yet been appropriated or, if appropriated, not yet been made available to NYSERDA, then the Payment Due Date shall be extended by the number of calendar days from the date of Receipt of an Invoice to the date when such funds are made available to NYSERDA.

**504.6. Interest Eligibility and Computation.** If NYSERDA fails to make Prompt Payment, NYSERDA shall pay interest to the Contractor on the Payment when such interest computed as provided herein is equal to or more than ten dollars (\$10.00). Interest shall be computed and accrue at the daily rate in effect on the Date of Payment, as set by the New York State Tax Commission for corporate taxes pursuant to Section 1096(e)(1) of the Tax Law. Interest on such a Payment shall be computed for the period beginning on the day after the Payment Due Date and ending on the Date of Payment.

**504.7. Sources of Funds to Pay Interest.** Any interest payable by NYSERDA pursuant to Exhibit shall be paid only from the same accounts, funds, or appropriations that are lawfully available to make the related Payment.

**504.8. Incorporation of Prompt Payment Policy Statement into Contracts.** The provisions of this Exhibit shall apply to all Payments as they become due and owing pursuant to the terms and conditions of this Agreement, notwithstanding that NYSERDA may subsequently amend its Prompt Payment Policy by further rulemaking.

**504.9. Notice of Objection.** Contractor may object to any action taken by NYSERDA pursuant to this Exhibit that prevents the commencement of the time in which interest will be paid by submitting a written notice of objection to NYSERDA. Such notice shall be signed and dated and concisely and clearly set forth the basis for the objection and be addressed to the Vice President, New York State Energy Research and Development Authority, at the notice address set forth in Article XIX of this Agreement. The Vice President of NYSERDA, or his or her designee, shall review the objection for purposes of affirming or modifying NYSERDA's action. Within fifteen (15) working days of the receipt of the objection, the Vice President, or his or her designee, shall notify the Contractor either that NYSERDA's action is affirmed or that it is modified or that, due to the complexity of the issue, additional time is needed to conduct the review; provided, however, in no event shall the extended review period exceed thirty (30) working days.

**504.10. Judicial Review.** Any determination made by NYSERDA pursuant to this Exhibit that prevents the commencement of the time in which interest will be paid is subject to judicial review in a proceeding pursuant to Article 78 of the Civil Practice Law and Rules. Such proceedings shall only be commenced upon completion of the review procedure specified in Section 504.9 of this Exhibit or any other review procedure that may be specified in this Agreement or by other law, rule, or regulation.

**504.11. Court Action or Other Legal Processes.**

(a) Notwithstanding any other law to the contrary, the liability of NYSERDA to make an

interest payment to a Contractor pursuant to this Exhibit shall not extend beyond the date of a notice of intention to file a claim, the date of a notice of a claim, or the date commencing a legal action for the payment of such interest, whichever occurs first.

(b) With respect to the court action or other legal processes referred to in subdivision (a) of this section, any interest obligation incurred by NYSERDA after the date specified therein pursuant to any provision of law other than Public Authorities Law Section 2880 shall be determined as prescribed by such separate provision of law, shall be paid as directed by the court, and shall be paid from any source of funds available for that purpose.