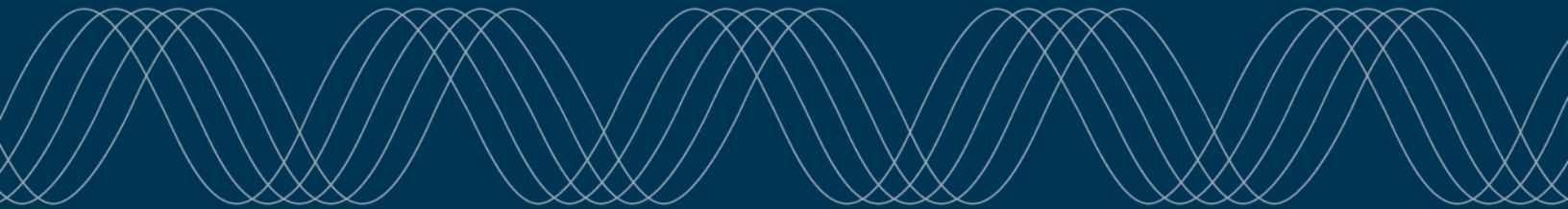


Appendix Q

Renewable PPA Form Term Sheet



2023 All-Source RFP



Portland General Electric Company

Non-Binding Indicative Term Sheet for Renewable Energy PPA

Subject to Mutual NDA

Note: The following represents a summary of certain material terms and conditions for Bidders to PGE's 2023 All-Source RFP (RFP) seeking to execute a Renewable Energy Power Purchase Agreement (PPA). The following is not an exhaustive list of all material terms, nor does it purport to comprehensively express PGE's expectations for any of the terms ~~herein mentioned~~ set forth in this term sheet. Full-form, definitive terms ~~shall be~~ set forth in PGE's form PPA issued in connection with the RFP. ~~Capitalized terms not otherwise defined in this Term Sheet will be defined in the PPA.~~

Buyer:	Portland General Electric Company ("PGE")
Seller:	[Name of Seller]
Description of Facility:	-[type of technology] generating facility (the "Facility"), located in [Name of County] County, in the State of [Name of State].
Facility Nameplate Capacity:	[For solar resources: _____MW_{DC}] [For non-solar resources: _____MW_{AC}]
Net Available Capacity:	"Net Available Capacity" means t The full (maximum) net E energy the Facility is capable of delivering to the interconnecting Balancing Authority Area continuously for at least sixty (60) minutes; which is equivalent to the <u>Facility Nameplate Capacity of the Facility's generating unit</u> less station service (parasitic power and electrical losses) and inverter limitations, expressed in MW _{AC} .
Product:	The Product includes the following: <ol style="list-style-type: none">1. "Energy": any Eall electric energy generated by the <u>Facility, expressed in MWh, generated by the Facility, scheduled in hourly increments, and delivered by Seller to Buyer on eligible long-term firm, conditional firm, or short-term firm transmission from the Facility to the Delivery Point, during the Delivery Term, including all necessary Ancillary Services. Energy shall be delivered to Buyer pursuant to the Scheduling Procedures set forth below.</u>



2. "Environmental Attributes": any and all claims, credits, benefits, emissions reductions, offsets and allowances, however named, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water or otherwise arising as a result of the generation of electricity from the Facility, regardless of whether or not (i) such environmental attributes have been verified or certified, (ii) such environmental attributes are creditable under any applicable legislative or regulatory program, or (iii) such environmental attributes are recognized as of the Effective Date or at any time during the Delivery Term. ~~Environmental Attributes include but are not limited to: (a) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; (b) all Emissions Reduction Credits; and (c) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (d) the reporting rights to these avoided emissions, such as the carbon content of the energy generated by the Facility and REC Reporting Rights. Environmental Attributes do not include: (i) any PTCs, ITCs, or any other tax credits, deductions, or tax benefits associated with the Facility, or (ii) any state, federal, local, or private cash payments, grants, or costs relating in any way to the Facility or the electric power output of the Facility.~~
3. "Capacity Attributes": any current or future attribute, as may be currently defined or otherwise defined in the future, including but not limited to a characteristic, certificate, tag, credit, ancillary service or attribute thereof, or accounting construct, associated with the electric generation capability and capacity of the Facility or the Facility's capability and

	<p>ability to produce or curtail energy, including any attribute counted towards any current or future resource adequacy or reserve requirements. Capacity Attributes are measured in MW. Capacity Attributes do not include: (i) any PTCs, ITCs, or any other tax credits, deductions, or tax benefits associated with the Facility, or (ii) any state, federal, local, or private cash payments, grants, or costs relating in any way to the Facility or the electric power output of the Facility.</p>
<u>Specified Amounts</u>	<p><u>The amount of Facility Output generated by the Facility that Seller is expected to deliver to Buyer at the Delivery Point for each monthly period during the Delivery Term. The Specified Amounts for each month shall be consistent with a generation profile associated with a 50% probability of exceedance forecast using industry standard methodology.</u></p>
<i>Delivered Energy Quantity:</i>	<p>“Delivered Energy Quantity” means tThe sum of the Energy delivered to Buyer by or on behalf of Seller to the Delivery Point each hour during the Delivery Term as represented on the final e-Tag. <u>The Delivered Energy Quantity shall not exceed Net Available Capacity in any given hour.</u></p>
<u>Excess Energy Quantity</u>	<p><u>The Delivered Energy Quantity in excess of 105% of the Specified Amount.</u></p>
<i>No Sales to third parties:</i>	<p>Seller shall sell one hundred percent (100%) of the Facility Output to Buyer and may not sell any Energy, Capacity Attributes, Environmental Attributes or any other Facility capability to Buyer and may not sell the same to any other party or purchaser, unless such sale is expressly allowed by the PPA. Seller commits one hundred percent (100%) of the Facility Output to Buyer.</p> <p>“Facility Output” means all electric energy, produced by the Facility, less station service (parasitic power and electrical losses), if any, all as measured at the Facility meter.</p>
<i>Delivery Term:</i>	<p>“Delivery Term” means n<u>No less than fifteen (15) €</u>contract<u>Y</u>years after the Commercial Operation Date. “Contract<u>Years” means a period of twelve (12) consecutive months beginning on January 1st and continuing through December 31st of each calendar year, except that the first Contract Year shall commence on the Commercial</u>Operation Date and the last Contract Year shall end at the</p>



	end of the day prior to the anniversary of the Commercial Operation Date.
<i>Interconnection Point:</i>	The Facility shall interconnect to [XX substation] (the "Interconnection Point") . Seller shall be responsible for all costs of interconnecting the Facility to the Interconnection Point.
<i>Delivery Point:</i>	PGE scheduling point [BPAT.PGE or PGE BA] PGE will not accept delivery at PacifiCorp West or at Pelton Round Butte.
<i>Commercial Operation Date:</i>	"Commercial Operation Date" means The date on which the total Nameplate Capacity of the Facility is fully operational and reliable, and the Facility is fully interconnected, fully integrated, and synchronized with the transmission system.
<i>Scheduled Commercial Operation Date:</i>	"Scheduled Commercial Operation Date" means [Date]. In no event shall the Scheduled Commercial Operation Date be later than December 31, 2024 <u>2027</u> . If the Commercial Operation Date is not achieved on or before the Scheduled Commercial Operation Date, Seller shall pay Delay Damages to PGE from and after the Scheduled Commercial Operation Date up to, but not including the first to occur of (i) the date on which the Facility achieves Commercial Operation, and (ii) the Guaranteed Commercial Operation Date. "Delay Damages" are equal to \$ 1500 per MW of Nameplate Capacity per day beginning on the first day through the 30 th day after the Scheduled Commercial Operation Date, \$ 2500 per MW of Nameplate Capacity of the Facility per day beginning on the 31 st day through the 60 th day after Scheduled Commercial Operation Date, and \$ 3500 per MW of Nameplate Capacity of the Facility per day beginning on the 61 st day after Scheduled Commercial Operation Date until the Commercial Operation Date is actually achieved or the Guaranteed Commercial Operation Date, whichever occurs first.



<p><i>Guaranteed Commercial Operation Date:</i></p>	<p>“Guaranteed Commercial Operation Date” means tThe date that is one hundred twenty-eighty (120180) days after the Scheduled Commercial Operation Date.</p> <p>Buyer shall have the right to terminate the PPA if the Commercial Operation Date is not achieved by the Guaranteed Commercial Operation Date and Seller shall forfeit the development securitypay Buyer damages in the amount of \$200/kW of Nameplate Capacity.</p>
<p><i>Pre- COD Progress Reporting:</i></p>	<p>Seller shall provide a monthly report to Buyer that (a) describes the progress towards meeting the Facility development milestones set forth in the PPA; (b) identifies any missed Facility development milestones, including the cause of the delay; and (c) provides a detailed description of Seller’s corrective actions to achieve the missed Facility development milestones and all subsequent Facility development milestones by the Guaranteed Commercial Operation Date.</p>
<p><i>Contract Price:</i></p>	<p>_____ (\$/MWh)</p> <p>Control Area Service costs may not be included in the Contract Price.</p>
<p><i>Market Index Price:</i></p>	<p>The EIM real-time pre-dispatch nodal price for the Delivery Point. In the event Buyer is participating in an organized market other than the EIM, then the Market Index Price will mean the Locational Marginal Price associated with the Pricing Node or Aggregate Pricing Node for the Delivery Point within such organized market.</p>
<p><u><i>Market Index Settlement Price:</i></u></p>	<p><u>The production-weighted sum of the Market Index Price for each hour during the delivery month.</u></p>
<p><i>Test Energy:</i></p>	<p>“Test Energy” means aAll Facility Output generated by the Facility prior to achieving the Commercial Operation Date. Seller may electshall use its best efforts to schedule and deliver to sell Test Energy to its transmission provider, to a third-party or to an organized market via its transmission provider’s system. Seller shall be entitled to any and all compensation received from its transmission provider or any third-party or organized market for such Test Energy. Otherwise, Seller shall Schedule in accordance with the Scheduling Procedure and deliver Test Energy to Buyer in order to complete Start-Up Testing. In such case, the parties shall coordinate in good faith to Schedule deliveries of Test</p>



	<p>Energy to Buyer that minimizes the burden to each of the parties, and Buyer shall receive the Test Energy. The price for such Test Energy received by Buyer shall be zero dollars (\$0.00) and Seller shall pay any costs or additional expenses that are required for Buyer to receive the Test Energy, including but not limited to reimbursement for negative pricing and any necessary capacity costs or reserves costs.</p>
<p><i>Transmission Requirements:</i></p>	<p>For Off-system Facilities:</p> <p>Seller shall pay for and maintain eligible Long-Term Transmission, for a minimum of 80<u>75</u>% of the Net Available Capacity, for delivery of Energy from the Facility's point of interconnection/point of receipt (POR) identified in the Interconnection Agreement to the Delivery Point for the entire Delivery Term, commencing on the Commercial Operation Date.</p> <p>Seller may deliver up to 20<u>25</u>% of the Net Available Capacity on short term firm transmission.</p> <p>If the Seller has a transmission service request that utilizes Newpoint as the POR, the transmission service request must reference the specific generation interconnection request number for the resource in the comments field.</p> <p>Curtailment or a transmission provider's cancelation of conditional firm reassessment transmission service shall not be a Force Majeure event.</p> <p>If the reassessment service is terminated or the number of curtailment hours is increased, Seller default and failure to perform provisions would be triggered would be triggered.</p> <p>If Seller is participating in a BPA TSEP process which includes completing any and all actions necessary to keep the transmission service request(s) in an active OASIS status, Seller has the commercial obligation to participate in and fund all requirements in the TSEP process necessary to be granted long term firm or conditional firm bridge if those are the services elected. Seller with conditional firm reassessment does not have any participation requirements beyond the cluster study.¹</p>

¹ See BPA TSEP Business Practice Manual: <https://www.bpa.gov/transmission/Doing%20Business/bp/tbp/TSR-Study-Expansion-Process-BP.pdf>



	<p>Seller shall be responsible for making all arrangements and paying all costs related to transmission, including but not limited to Ancillary Services costs and EIM costs, required to deliver the Product(s) to the Delivery Point.</p> <p>For On-System Facilities:</p> <p>Seller must have requested NRIS interconnection service for Facility Output and Buyer must be able to designate the Facility as a network resource and. In such case, Buyer will be responsible for all costs associated with the delivery of Facility Output to PGELOAD.</p>
<p><i>Control Area Services and other costs:</i></p>	<p>Seller shall procure and Buyer will reimburse Seller for all Control Area Services, <u>except for Persistent Deviation Penalties and Intentional Deviation Penalties</u>, from an entity that is mutually agreed upon by the parties that may be required by its transmission provider or balancing authority area as a condition of interconnection.</p> <p>Control Area Services include, but are not limited to, generation imbalance, variable energy resource balancing service and any EIM costs associated with interconnection. Control Area Services do not include ancillary service costs associated with the transmission provider's provision of firm transmission service.</p> <p>For off-system resources, Control Area Services do not include real power losses.</p>
<p><i>Forecasting:</i></p>	<p>Seller shall provide Buyer with (i) a rolling generation forecast, updated hourly, for the next fourteen (14) days, (ii) a rolling generation forecast for five (5) minute and fifteen (15) minute intervals, updated every five (5) and fifteen (15) minutes respectively, for the next 24 hours, and (iii) an updated hourly generation forecast ninety (90) minutes prior to each delivery hour for the balance of the delivery day (collectively, "Generation Forecast"). Each Generation Forecast shall be performed by a third-party forecasting agent that is mutually agreed to by Buyer and Seller ("Forecasting Agent"). At Buyer's request, Seller will cause the Forecasting Agent to provide Buyer with an application program interface from which Buyer may access raw forecasting files. Seller shall ensure that the Forecasting</p>

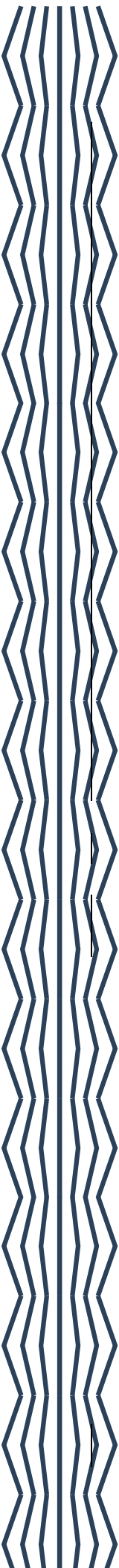


	Agent provides Buyer real time access to information and forecasts concerning the Facility's availability status.
Scheduling:	<p>Seller shall schedule and deliver Energy to Buyer at the Delivery Point, commencing on the Commercial Operation Date and continuing through the end of the Delivery Term. Seller's Energy delivery may not intentionally exceed the Generation Forecast.</p> <p>For On-System Facilities:</p> <p>For each day during the Delivery Term, Seller shall comply with the following scheduling procedure:</p> <ul style="list-style-type: none"> - Seller shall, by 5:00 a.m. PPT of the customary WECC Pre-Scheduling Day, communicate to Buyer's pre-schedule desk via an Application Program Interface (API) or as directed by Buyer, the expected Energy to be delivered each hour at the Delivery Point for the delivery day, consistent with the Generation Forecast. - Seller shall communicate to Buyer's real-time desk via API, or as otherwise directed by Buyer, Energy deliveries consistent with the Generation Forecast no later than ninety (90) minutes prior to the flow hour. - Seller and Buyer agree that the intent of these scheduling provisions is for Seller to schedule and deliver Energy resembling actual production from the Facility for each interval. <p>For Off System Facilities:</p> <p>For each day during the Delivery Term, Seller shall comply with the following scheduling procedure:</p> <ul style="list-style-type: none"> - Seller shall, by 5:00 a.m. PPT of the customary WECC Pre-Scheduling Day, communicate to Buyer's pre-schedule desk via an application program interface (API) or as directed by Buyer, the expected Energy to be delivered each hour at the Delivery Point for the delivery day, consistent with the Generation Forecast. - Seller shall schedule the Energy by submitting a NERC e-Tag ("e-Tags") prior to 1:00 p.m. PPT of the applicable WECC pre-scheduling day for all hours of the applicable delivery day(s); and - Seller shall schedule the Energy with e-Tags according to prevailing WECC pre-scheduling provisions and protocols. Seller shall schedule the Facility as the identified e-Tag source. Seller may not net or otherwise combine schedules from resources



	<p>other than the Facility, except as necessary for Ancillary Services.</p> <p>Seller shall not schedule any eEnergy to be delivered to Buyer using a dynamic or pseudo-tie e-tag as such terms are defined and used by NERC.</p> <p>Seller shall <u>may</u> make adjustments to the pre-scheduled energy scheduled from the Facility each hour in real-time ("Real-time Adjustments") consistent with the Generation Forecast. For such Real-time Adjustments, Seller will:</p> <ul style="list-style-type: none"> - Submit and receive approval of e-Tag adjustment no later than seventy-five (75) minutes prior to the flow hour, in accordance with the requirements of the applicable transmission provider. - Make all NERC e-Tag adjustments. - Seller's e-tag shall match the adjustment communicated to the Buyer. - Be responsible for any costs, charges, or fees associated with adjustments to the e-tag after seventy-five (75) minutes prior to the flow hour. <p>In the event that the regional market design, balancing authority, reliability entity or regulatory entity (e.g., PGE Transmission, BPA, WECC, NERC, RC West, FERC) causes or otherwise reasonably requires Buyer's scheduling practices to change after the effective date of the PPA, Buyer and Seller shall meet within thirty (30) days after written notice to Seller of such proposed change and mutually agree on updated Scheduling Procedures. Seller shall not unreasonably withhold agreement to proposed changes to the Scheduling Procedures.</p>
<p><i>Output Guarantee:</i></p>	<p>Seller guarantees that during the Delivery Term, the Delivered Energy Quantity, shall meet or exceed the Guaranteed Output Threshold.</p> <p>The "Guaranteed Output Threshold" is equal to [90%] of the Annual <u>Expected</u> Monthly Output.</p> <p>The "Performance Measurement Period" is equal to a monthly <u>annual</u> period. The initial Performance Measurement Period will commence on the Commercial Operation Date.</p>





	<p>The "Expected Output" is equal to the Facility's P50 expected monthly <u>annual</u> output.</p> <p>After each Performance Measurement Period, Seller shall provide Buyer sufficient detail of the Facility's performance to substantiate its calculation of Energy deliveries for the Guaranteed Output Threshold. The Guaranteed Output Threshold shall be adjusted for energy that was not delivered during Excused Hours. "Excused Hours" means hours when the Facility was not available due to Force Majeure, excused curtailments, or Buyer's failure to perform. It shall be a Seller event of default if, commencing on the Commercial Operation Date, Seller fails to deliver [for wind resources: seventy-five percent (75%) of the annual sum of the Guaranteed Output Threshold to Buyer during two (2) out of three (3) Contract Years during the Delivery Period] [for non-wind resources: fifty percent (50%) of the annual sum of the Guaranteed Output Threshold to Buyer during any Contract Year during the Delivery Period].</p>
<p><i>Mechanical Availability Guarantee:</i></p>	<p>Beginning with the first full calendar year following the €contract Yyear in which the Commercial Operation Date has occurred, Seller's failure to maintain a minimum Mechanical Availability Percentage for the Facility of [ninety seven <u>five</u> percent (97<u>5</u>%) for any two (2) out of three (3) Contract Years on a rolling basis. The Mechanical Available Percentage of the Facility shall be determined by Seller by dividing the total Operational Hours for such calendar year [non-solar resources: by the total number of hours in the calendar year] [solar resources: by the total number of daylight hours in the calendar year.] On or before January 31st of each year, Seller shall provide Buyer written documentation, which shall be subject to audit by Buyer, to verify or otherwise substantiate Seller's calculation of the Mechanical Available Percentage of the Facility for the prior calendar year. The operational hours for the Facility shall be the hours that the Facility is potentially capable of producing power at Nameplate Capacity regardless of actual weather conditions or season, without any mechanical operating constraint or restriction, and potentially capable of delivering such power to the point of interconnection with the Ttransmission Pprovider.</p>



*Failure to Deliver
Facility Output:*

If Seller fails to deliver Facility Output or the associated Environmental Attributes, and such failure is not excused by Force Majeure, or by Buyer's breach of the PPA, Seller shall owe Buyer an amount as calculated below:

- (a) Seller shall owe Buyer an amount for such deficiency equal to the positive difference (if any) of the applicable Market Index Settlement Price minus the Contract Price multiplied by the positive difference (if any) of the Facility Output Seller failed to deliver for the applicable monthly On-Peak and Off-peak period minus the Delivered Energy Quantity delivered during that monthly On-Peak and Off-peak period; and
- (b) Seller shall owe Buyer any penalties or fines imposed by a Reliability Entity as a result of Seller's failure to deliver; and
- (c) Seller shall owe Buyer an amount for such deficiency should the replacement energy procured by Buyer as a result of Seller's failure to deliver the Facility Output results in incremental Carbon Emissions costs to PGE; and
- (d) Seller shall owe Buyer an amount for such deficiency should the replacement energy procured by Buyer as a result of Seller's failure to deliver the Facility Output results in incremental ancillary services and transmission costs; and
- (e) Seller shall be obligated to settle any shortfall in the delivery of Environmental as follows:
 - (i) Seller shall, within one hundred twenty (120) days after the end of the shortfall month, deliver an equivalent amount of Qualifying Replacement RECs that are generated in the same calendar year; or
 - (ii) If Seller elects not to deliver an equivalent amount of Qualifying Replacement RECs under subpart (i) and Buyer elects in its sole discretion to purchase Qualifying Replacement RECs, Seller shall owe PGE the price that Buyer actually pays for Qualifying Replacement RECs; or
 - (iii) If Seller elects not to deliver an equivalent amount of Qualifying Replacement RECs under

subpart (i) and Buyer does not elect, in its sole discretion, to purchase replacement bundled RECs under subpart (b), Seller shall owe Buyer the Qualifying Replacement REC Price identified by Buyer multiplied by the number of Bundled RECs Seller failed to deliver.

~~In the event Seller fails to deliver Facility Output, Seller shall pay Buyer the following damages:~~

~~The replacement cost for such deficiency calculated by multiplying the amount of the deficiency by the positive difference, if any, of the Replacement Price less the Contract Price; provided, however, such amount shall not be less than zero dollars (\$0.00). The "Replacement Price" shall be the average day-ahead Intercontinental Exchange Mid-C Physical Peak (bilateral) or Mid-C Physical Off-Peak (bilateral) indices ("ICE DA Indices") for such month; plus~~

~~The incremental cost associated with Carbon Emissions costs incurred by the Buyer as a result of Seller's failure to deliver Facility Output; plus~~

~~Any incremental Ancillary Services and transmission costs incurred by Buyer; plus~~

~~Any penalties or fines imposed by a Reliability Entity as a result of Seller's failure to deliver:~~

~~"Reliability Entity" may include, without limitation, NERC, WECC, the Balancing Authority, Transmission Provider, regional transmission organization, independent system operator, reliability coordinator or any other entity that has, or that may have in the future, (i) responsibility over the reliability of the bulk power system and (ii) by virtue of such responsibility the legal authority to affect the operations of the Facility or delivery of the Product.~~

~~In the event Seller fails to deliver Environmental Attributes, including Bundled RECs, associated with the Facility Output, Seller shall settle any such shortfall as follows:~~

~~deliver an equivalent amount of Qualifying Replacement RECs that are generated in the same calendar year; or~~





	<p>If Seller elects not to deliver an equivalent amount of Qualifying Replacement RECs and Buyer elects in its sole discretion to purchase Qualifying Replacement RECs, Seller shall owe PGE the price that PGE actually pays for Qualifying Replacement RECs; or</p> <p>(c) If Seller elects not to deliver an equivalent amount of Qualifying Replacement RECs and Buyer does not elect, in its sole discretion, to purchase replacement bundled RECs under subpart (b), Seller shall owe Buyer the Qualifying Replacement REC Price identified by Buyer, multiplied by the number of Bundled RECs Seller failed to deliver.</p> <p>“Qualifying Replacement RECs” means environmental attributes (including renewable energy credits and renewable energy credit reporting rights) that are delivered to Buyer bundled with energy produced simultaneously by a generating source that (A) is an Oregon Renewable Portfolio Standard eligible renewable energy resource, (B) produces environmental attributes (including renewable energy credits and renewable energy credit reporting rights) of the same type and quality as Environmental Attributes (including Bundled RECs and REC Reporting Rights), (C) is located in [Oregon or Washington], and (D) achieves commercial operation after the Commercial Operation Date.</p> <p>“Qualifying Replacement REC Price” means the price for Qualifying Replacement RECs as determined by taking the lower of two dealer quotes representing a live offer to sell Qualifying Replacement RECs for the entire quantity of Bundled RECs that are being replaced and subtracting the value of the energy component of such quantity (as specified in the applicable dealer quotes) of such Qualifying Replacement RECs.</p>
<p><i>Excess Energy:</i></p>	<p>If during the Performance Measurement Period, the Delivered Energy Quantity is in excess of [110%] of the Guaranteed Output Threshold, then for each MWh of Delivered Energy Quantity in excess of [110%] of the Guaranteed Output Threshold (“Excess Energy”), the</p>



	<p>applicable price paid by Buyer for such Excess Energy shall be equal to the lesser of (a) [93%] of the Market Index Price applicable to the interval in which such Excess Energy was delivered, or (b) [75%] of the Contract Price.</p>
<p><u>Reliability Entity Curtailment:</u></p>	<p>Buyer shall not be liable to Seller if curtailment of Energy is due to the action of a Reliability Entity and such action shall not be considered a Force Majeure. Seller shall pay Buyer the replacement cost for such Energy. The replacement cost during a Reliability Entity curtailment shall be the greater of zero or the amount calculated as: ((Market Index Price - Fixed Price) multiplied by curtailed Energy based on the Facility's potential generation for periods of the Reliability Entity curtailment. The Forecasting Agent shall calculate the potential generation during periods of the Reliability Entity curtailment. In the event the Facility is curtailed due to a System Emergency, Force Majeure, or by the transmission provider (excluding curtailment hours as a result of Seller's utilization of conditional firm transmission), Seller shall not be liable for failure to deliver such curtailed Energy and Buyer shall not be obligated to pay for such curtailed Energy.</p> <p>Notwithstanding the foregoing, Buyer shall have the right to curtail deliveries of scheduled Energy, up to [400 hours] each Contract Year (or a prorata amount for any partial Contract Year during the Delivery Term) without compensation, and all such events shall be defined as "Buyer Curtailment".</p> <p>The Guaranteed Output Threshold will be reduced by the number of MWhs subject to Buyer Curtailment.</p>
<p><u>REC Tracking System:</u></p>	<p>Seller shall transfer RECs associated with the Facility Output from the Facility for each month via WREGIS pursuant to the timelines in WREGIS Operating Rules.</p>
<p><u>Negative Price Event:</u></p>	<p>When the Market Index Price is less than zero ("Negative Price Event"), Seller shall have the right, but not the obligation, to suspend part or all of its Energy deliveries ("Seller Curtailment"). Seller's obligation to deliver the Guaranteed Output Threshold shall be reduced by one (1) MWh for each substantiated MWh reduced due to a Negative Price Event.</p>



<p><i>Monthly Settlement and Invoice:</i></p>	<p>All invoices shall be due on the tenth (10th) day of each month and payable on or before the later of the twentieth (20th) day of each month, or the tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day.</p> <p>The payment for each month during the Delivery Term is equal to the sum of:</p> <p><u>(a) hourly Facility Output, each up to [105%] of the Specified Amount for such month, multiplied by the Contract Price; plus</u></p> <p><u>(b) hourly Excess Energy multiplied by the lesser of (i) [93%] of the Market Index Price, or (ii) [75%] of the Contract Price; plus</u></p> <p><u>(c) for each hour that the Market Index Price is negative, the hourly Delivered Energy Quantity multiplied by [107%] of the Market Index Price. (a) the lesser of (i) the hourly Delivered Energy Quantity, or (ii) hourly Facility Output, each up to [110%] of the Guaranteed Output Threshold, multiplied by the Contract Price; plus</u></p> <p><u>(b) hourly Excess Energy multiplied by the lesser of (i) [93%] of the Market Index Price, or (ii) [75%] of the Contract Price; plus</u></p> <p><u>(c) for each hour that the Market Index Price is negative, the hourly Delivered Energy Quantity multiplied by [107%] of the Market Index Price.</u></p>
<p><i>Operations and Maintenance:</i></p>	<p>Seller shall not schedule any non-emergency maintenance that reduces the energy generating capability of the Facility by more than ten percent (10%) during the months of June through September, unless (i) such outage is required to avoid damage to the Facility, (ii) such maintenance is necessary to maintain equipment warranties and cannot be scheduled outside the months of June through September, (iii) such outage is required in accordance with prudent electrical practices, or (iv) the parties agree otherwise in writing.</p> <p>Seller shall provide its outage schedule no later than September 1st of each year preceding such outage(s).</p> <p>The outage schedule for each Contract Year shall not exceed 2040 hours.</p>



<p><i>Labor Requirements:</i></p>	<p>Union labor must be utilized for major construction activities related to the Facility and must include a Project Labor Agreement requirement in any related construction agreements. <u>All project labor must comply with the requirements of House Bill 2021, as applicable.</u></p> <p>The labor group that constructs and maintains the Facility must have policies in place that are designed to limit or prevent workplace harassment and discrimination. Additionally, such labor group must have policies in place that are designed to promote workplace diversity, equity and inclusion of communities who have been traditionally underrepresented in the renewable energy sector including, but not limited to, women, veterans and Black, Indigenous and People of Color, with an aspirational goal of having at least fifteen percent (15%) of the total work hours performed by individuals from those communities.</p>
<p><i>Buyer Conditions Precedent:</i></p>	<p>Buyer’s obligations shall be conditioned and will become effective only upon the occurrence of each and every one of the following conditions:</p> <p>{(i) receipt of approval <u>of the Final Shortlist</u> from the Oregon Public Utility Commission, in form and substance satisfactory in Buyer’s sole discretion; and</p> <p>(ii) written approval of the PPA by Buyer’s Board of Directors.}</p>
<p><i>Seller Conditions Precedent</i></p>	<p><u>[List Seller Conditions Precedents, if any TBD]</u></p>
<p><i>Security Requirements:</i></p>	<p>Within thirty (30) days after the Effective Date of the PPA, Seller shall deliver development security to Buyer in an amount equal to \$200<u>125</u>/kW of Nameplate Capacity and Seller shall maintain such development security until <u>the Commercial Operation Date</u>D.</p> <p>On or before <u>the Commercial Operation Date</u>, Seller shall deliver delivery term security to Buyer in an amount equal to \$100/kW of Nameplate Capacity and shall maintain such delivery term security through the end of the Delivery Term. Within five (5) Business Days following any draw by Buyer on the delivery term security, Seller shall replenish the amount drawn such that the delivery term security is restored to the full amount.</p>



	<p>All security shall be in the form of cash or a letter of credit from a Qualified Institution as defined below and in a form reasonably acceptable to Buyer.</p> <p>“Qualified Institution” means a major U.S. commercial bank or a U.S. branch office of a major foreign commercial bank which is acceptable to PGE, organized under the laws of the United States (or any state or political subdivision thereof) with such bank having shareholders’ equity of at least \$10 billion (U.S. Dollars) and a Credit Rating of at least A- by S&P or A1 by Moody’s, or an insurance company with assets of \$2 billion or greater, an A.M. Best financial strength rating of an A or greater and authorized to issue surety bonds in the state in which the project will be located. On a case-by-case basis, PGE will accept banks as Qualified Institutions if they have received an endorsement from an institution that meets the criteria in the Qualified Institution definition.</p>
<p><i>Termination Settlement Payment Amount:</i></p>	<p>In the event the PPA is terminated due to an event of default, the non-defaulting party shall calculate the <u>termination Settlement payment Amount</u>. The defaulting shall pay the Settlement Amount to the non-defaulting party.</p> <p>The Gains or Losses resulting from the termination of the PPA shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of the PPA. The Gains or Losses shall be calculated for a period equal to the remaining Term (“Settlement Period”). The quantity of Energy in each month of the Settlement Period shall be equal to the <u>Expected Output for such month Specified Amount for such month under the PPA as of the time the calculation is made</u>. <u>If the non-defaulting party’s Costs and Losses exceed its Gains, then the termination payment amount shall be an amount owing to the non-defaulting party. If the non-defaulting party’s Gains exceed its Costs and Losses, then the termination payment amount shall be zero dollars (\$0).</u></p> <p>“Settlement Amount” means the Losses or Gains, and Costs, expressed in USD, which the non-defaulting party incurs as a result of the termination and liquidation of the PPA. If the non-defaulting party’s Costs and Losses exceed its Gains,</p>



	<p>then the Settlement Amount shall be an amount owing to the non-defaulting party. If the non-defaulting party's Gains exceed its Costs and Losses, then the Settlement Amount shall be zero dollars (\$0). The Settlement Amount shall not include consequential, punitive, exemplary or indirect or business interruption damages.</p> <p>"Gains" means, with respect to a party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of its obligations with respect to the PPA determined in a commercially reasonable manner.</p> <p>"Losses" means, with respect to a party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of its obligations with respect to the PPA determined in a commercially reasonable manner.</p> <p>"Costs" means, with respect to a party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party in entering into new arrangements which replace this Agreement and all reasonable attorneys' fees and expenses incurred by a Party in connection with enforcing its rights under the Agreement. Costs shall not include any expenses incurred by such Party in either entering into or terminating any arrangement pursuant to which it has hedged its obligations.</p>
<i>Compliance with Law</i>	<p>Seller shall comply with all applicable local, state and federal laws, including but not limited to obtaining and maintaining all requisite legal authority to sell power and be able to schedule power and operate under industry standards established by FERC, WECC, NERC and all other applicable regulatory and government agencies.</p>
<i>RPS Compliance:</i>	<p>Seller shall ensure the Facility obtains Oregon RPS Certification within ninety (90) days after the Commercial Operation Date and shall maintain such certification during the Delivery Term. If a change in law occurs after execution of the PPA that impacts the Facility's Oregon RPS Certification, then the Seller shall use commercially reasonable efforts to comply with such change of law as necessary to maintain the Oregon RPS Certification.</p>



<p>Aggregate Limitation of Liability</p>	<p>Unless expressly provided in the PPA, a Party's liability shall be limited to direct actual damages only, which direct actual damages shall be the sole and exclusive remedy and all other remedies or damages at law or equity are waived. <u>Except as expressly provided for in the PPA, neither party shall be liable for consequential, incidental, punitive, exemplary, or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise. Delay damages, termination settlement amount, and failure to deliver remedies set forth in this term sheet will be deemed direct damages.</u></p>
<p><i>Assignment:</i></p>	<p>Neither party may assign the PPA without prior written consent of the other party, which consent may not be unreasonably withheld or delayed.</p> <p>Any direct or indirect change of control of Seller (whether voluntary or by operation of law) will be deemed an assignment and will require the prior written consent of the Buyer.</p> <p>Seller shall pay Buyer's reasonable expenses incurred to provide consents, estoppels, or other required documentation in connection with Seller's financing for the Facility.</p>
<p><i>Other Standard Contract Terms to be included in the PPA:</i></p>	<p>The PPA will include additional terms and conditions that are usual and customary in transactions of its nature.</p>
<p><i>Confidentiality:</i></p>	<p>This Term Sheet and all information exchanged during negotiations of the PPA are confidential, subject to the Non-Disclosure Agreement between Buyer and Seller dated [Date].</p>

