

U-36259

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LA PUBLIC SERVICE
COMMISSION

JFG-2 REDACTED

TERM SHEET FOR ROCKING R RENEWABLE ENERGY PURCHASE AGREEMENT

<u>Item</u>	<u>Detail</u>
1. Project	The Rocking R Solar Project is a 72.5 MWac Solar Facility in Caddo Parish, Louisiana.
2. Contract Start Date	January 1, 2025
3. Term	20 years
4. Seller	Rocking R Solar, LLC
5. Purchaser	Southwestern Electric Power Company (SWEPCO)
6. Sale of Renewable Energy Products	Seller will sell and deliver to Purchaser, at the Point of Delivery, unit contingent Renewable Energy Products produced by the Project (energy, capacity and RECs).
7. Delivery Arrangements:	The Point of Delivery will be the SWEPCO Hosston 69 kV Substation located in Caddo Parish at 6851 Hosston Vivian Rd, Hosston, LA 71043 [REDACTED] [REDACTED]
8. Right of First Offer	(A) Provided that no Event of Default by Purchaser is continuing, Seller shall not sell or transfer all or any portion of the Facility [REDACTED] unless, prior to such sale or transfer [REDACTED], Seller provides written notice thereof to Purchaser. Such notice shall contain a description of the price and other material terms upon which Seller [REDACTED] desires to sell or transfer such interest. If Purchaser desires to enter into negotiations with Seller regarding the sale or transfer of the Facility or [REDACTED], Purchaser shall notify Seller of such decision within fifteen (15) Days of receipt of Seller's notice. Upon Seller's receipt of such notice, Purchaser and Seller shall negotiate in good faith, on an exclusive basis for no more than sixty (60) Days (unless a longer period is otherwise mutually agreed to), the terms of the sale or transfer of the Facility [REDACTED].

		<p>_____ Seller will provide in a timely manner, information regarding the Facility _____ which is reasonable or customary to allow Purchaser to perform due diligence and to negotiate in good faith for the purchase of the Facility _____.</p> <p>(B) In the event that Purchaser does not exercise its right to negotiate pursuant to Section 19.2(A), Seller must comply with Section 19.1 in any assignment of Seller's rights, interests or obligations herein to a purchaser of the Facility.</p> <p>(C) In the event that Seller or Seller's parent does not consummate the sale or transfer of the Facility or the equity interest of Seller to Purchaser in accordance with Section 19.2(A) within one hundred eighty (180) Days of the date that is the later of (i) Purchaser's declining to enter into negotiations with Seller after Seller's notice pursuant to Section 19.2(A), or (ii) the end of the exclusive negotiation period between Seller and Purchaser pursuant to Section 19.2(A), Seller shall not sell or transfer all or any portion of the Facility or permit a _____ unless, prior to such sale or transfer or _____, it complies with the provisions of Section 19.2(A).</p> <p>(D) The provisions of this Section 19.2 shall terminate upon termination of this REPA by Seller or upon the assignment of this REPA by Purchaser to any Person other than an Affiliate of Purchaser.</p>
<p>9.</p>	<p>Purchase Option</p>	<p>At _____ of the REPA, SWEPCO shall have the option to terminate this REPA and purchase from Seller the Facility and related Project Assets _____.</p>
<p>10.</p>	<p>REPA Price</p>	<p>The Contract Rate during the Term shall be an _____.</p>

<p>11.</p>	<p>Delay Damages</p>	<p>Should the Project fail to make contracted deliveries to the Purchaser beginning on the Contract Start Date, Delay Damages will be payable by Seller to Purchaser for each day of Delay not excused by force majeure.</p> <p>Delay Damages [REDACTED]</p>
<p>12.</p>	<p>Guaranteed Availability:</p>	<p>Beginning with the first contract year, January 1, 2025, Seller guarantees that the availability of the Project (the "Guaranteed Availability") will be [REDACTED]</p>
<p>13.</p>	<p>Output Shortfall</p>	<p>[REDACTED]</p>
<p>14.</p>	<p>[REDACTED] Liquidated Damages</p>	<p>If an [REDACTED] occurs in any Calculation Period, Seller shall pay Purchaser, as liquidated damages, the amount calculated [REDACTED]</p>
<p>15.</p>	<p>Scheduling</p>	<p>Seller (or Seller's agent) will register with the Transmission Operator on or prior to the first delivery of Renewable Energy to Purchaser under this REPA as, and shall remain for the remainder of the Term, the Market Participant for the Facility.</p> <p>From and after the Contract Start Date, Seller shall be responsible for scheduling and complying with all necessary procedures or protocols established by the Transmission Operator for purposes of scheduling Renewable Energy.</p> <p>[REDACTED]</p>

16.	Seller Security Fund:	<p>Seller shall establish, fund, and maintain a Security Fund, pursuant to the provisions of this Section, which shall be available to pay any amount due Purchaser pursuant to the REPA, and to provide Purchaser security that Seller will construct the Project. The Security Fund shall also provide security to Purchaser to cover [REDACTED]</p> <p>[REDACTED]</p> <p>Seller shall establish the Security Fund at a level of [REDACTED]</p> <p>[REDACTED] on the date that SWEPCO receives a Final Non-Appealable order from the Commissions. Seller shall maintain the Security Fund at such required level throughout the remainder of the Term.</p>
17.	Site Report:	<p>Seller shall commission a Phase I environmental assessment of the Site or a bringdown letter of a previously commissioned Phase I environmental assessment and shall provide Purchaser, on or before the date that is sixty (60) Days after the Effective Date, with a copy of the draft report summarizing such investigation, together with any data or information generated pursuant to such investigation.</p>
18.	REC Registration	<p>Seller shall take all actions requested by Purchaser that are necessary to register for and maintain participation in any applicable system or program established by any Governmental Authority to monitor, track, certify or trade RECs.</p>
19.	Conditions Precedent – Purchaser:	<p>(E) Unless waived by Purchaser in writing or deemed waived pursuant to the provisions of this ARTICLE 6, it shall be a condition precedent to the Parties' obligations under this REPA that Purchaser has obtained the Final Non-Appealable Order.</p> <p>(F) No later than sixty (60) Days</p>

		<p>after the Effective Date, Purchaser may, but shall not be obligated to, initiate the process to obtain the Final Non-Appealable Orders from the Arkansas Public Service Commission and the Louisiana Public Service Commission. Seller acknowledges and agrees that the form of Purchaser's approval applications to the Commissions for the Final Non-Appealable Orders, including cost recovery, and the conduct by Purchaser of any proceedings, including any settlement or appeal, related to or arising from such approval application shall be determined in the sole discretion of Purchaser. If Purchaser fails to initiate the process to obtain the Final Non-Appealable Orders during such sixty (60) Day period, the condition precedent in ARTICLE 6(A) shall be deemed waived and this REPA shall remain in full force and effect thereafter.</p> <p>(G) In the event that Purchaser initiates the process to obtain the Final Non-Appealable Order during such sixty (60) Day period, Purchaser shall use its commercially reasonable efforts to obtain such Final Non-Appealable Order as soon as reasonably practicable, but if despite commercially reasonable efforts, Purchaser is unable to obtain the Final Non-Appealable Order on or before the date that is three hundred sixty-five (365) Days after date of this REPA, Purchaser, by notice to Seller delivered on or prior to fifteen (15) Days thereafter, may terminate this REPA, without any financial or other obligation by either Party arising out of such termination except that Purchaser shall return the Security Fund to Seller. If Purchaser fails to deliver such a notice of termination during such fifteen (15) Day period, the condition precedent in ARTICLE 6(A) shall be deemed waived and this REPA shall remain in full force and effect thereafter.</p>
20.	Conditions of Commercial Operation:	<p>Seller shall notify Purchaser when the Facility has achieved Commercial Operation.</p> <p>This notification is contingent upon Seller providing evidence that the usual and customary conditions of commercial operation for power purchase agreements of this type have been completed. The steps for achieving commercial operation shall include, but not</p>

		<p>be limited to, providing Purchaser with a list of the Project's equipment and associated details, achieving initial synchronization and compliance with all aspects of the Interconnection Agreement, completion of required testing of the Project, supplying Purchaser with an independent professional engineers certification stating the Project has been completed as designed, establishment of security arrangements, providing Purchaser with certificates of insurance, and that all necessary permits, consents, licenses have been obtained including all necessary governmental filings and applications for accreditation in any Governmental REC certification program.</p>
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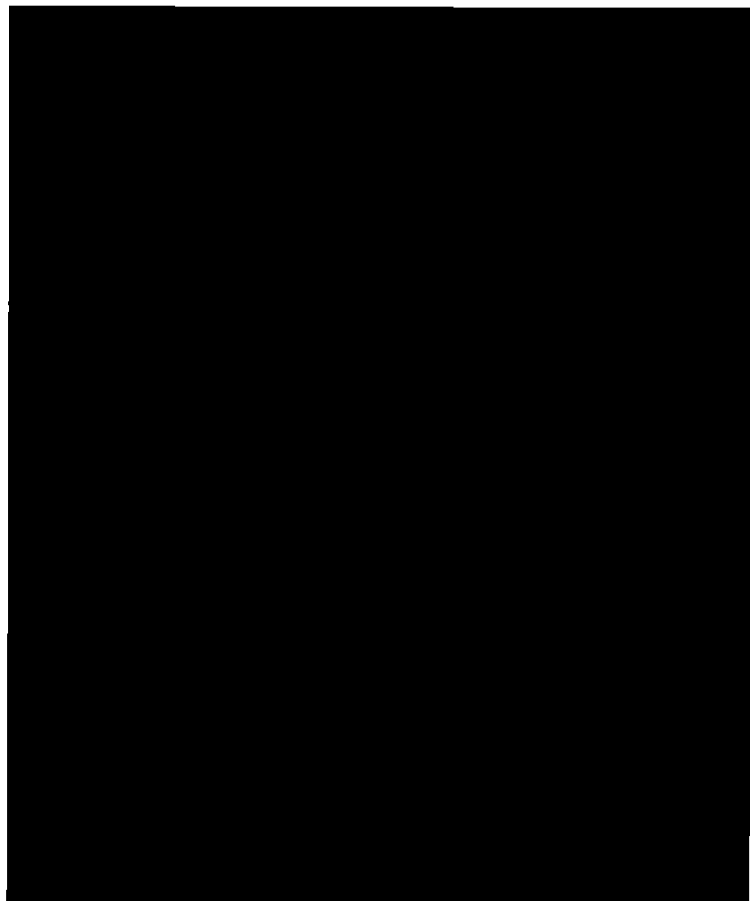
DEFINITIONS

Calculation Period

“Calculation Period” means each period of two consecutive Contract Years, consisting of the Contract Year that ended immediately prior to the date when such calculation is made and the prior Contract Year.

Capacity

“Capacity” means the output level, expressed in MW AC, that the Facility, or the components of equipment thereof, is capable, as of a given moment, of continuously producing and making available at the Point of Delivery, taking into account the operating condition of the equipment at that time, the auxiliary loads and other relevant factors. Capacity includes all installed capacity and unforced capacity attributed to the Facility by the Transmission Operator, the Regional Entity or any Governmental Authority, or that is commonly sold or saleable to third parties.





**Commercial Operation
Milestone Date**

“Commercial Operation Milestone Date”



Commercial Operation

“Commercial Operation” means that all of the Conditions to Commercial Operation have been satisfied or waived by the Parties.

Emergency

“Emergency” means an emergency condition as defined under the Interconnection Agreement or the OATT.

Facility

“Facility” means Seller’s electric generating facility and Seller’s Interconnection Facilities, including all of the following, the purpose of which is to produce electricity and deliver such electricity to the Point of Delivery: Seller’s equipment, buildings, all of the generation facilities, including panels, inverters, step-up transformers, output

breakers, facilities necessary to connect to the Point of Delivery, protective and associated equipment, improvements, and other tangible assets, contract rights, easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the electric generating facility that produces the Renewable Energy.

Interconnection Agreement

“Interconnection Agreement” means the separate generation interconnection agreement between Seller, the Interconnection Provider and the Transmission Operator for interconnection of the Facility to the Transmission Operator’s System, as such agreement may be amended from time to time.

Project Assets

“Project Assets” means the Facility, the Site and all of Seller’s engineering, procurement, construction, operations, maintenance, environmental, regulatory and financial books and records related to the Facility and the Site, together with all other tangible and intangible assets owned, leased or otherwise held by Seller.

Renewable Energy

“Renewable Energy” means the Energy generated by the Facility and delivered to the Point of Delivery as measured by the Electric Metering Devices.

Renewable Energy Certificate

“Renewable Energy Certificate” or “REC” means any credit, certificate, allowance or similar right that is related to the Non-Power Attributes of the Facility, whether arising pursuant to law, regulation, certification, markets, trading, off-set, private transaction, renewable portfolio standards, voluntary programs or otherwise.

Replacement Cost Rate

“Replacement Cost Rate” means, [REDACTED]

Transmission Operator

“Transmission Operator” means SPP or any successor independent system operator, regional transmission operator or other transmission operator from time to time having authority to control the system of electrical generation, distribution, and transmission facilities, within which generation is regulated in order to maintain

interchange schedules with other such systems, to which
the Facility is interconnected.