BIOMASS GENERATED ENERGY PURCHASE AND SALE AGREEMENT

 This BIOMASS GENERATED ENERGY AGREEMENT (“Agreement”) is dated as of the \_\_\_\_ day of \_\_\_\_\_\_ by and between \_\_\_\_\_\_\_\_\_\_, a Maine corporation and transmission and distribution utility ("T&D"), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Seller"). This Agreement sets forth the terms and conditions under which Seller will transfer biomass generated energy to T&D during the Term (as defined below).

 WHEREAS, Public Law 2016, Chapter 483 authorizes the Maine Public Utilities Commission (“Commission”) to direct investor-owned transmission and distribution utilities to enter into two year contracts for the purchase of biomass generated energy; and

 WHEREAS, pursuant to Public Law 2016, Chapter 483, the Commission has conducted a solicitation for biomass generated energy; and

 WHEREAS, the Commission has evaluated the proposal of the Seller and has selected Seller, as owner of a biomass resource facility, to transfer to T&D biomass generated energy pursuant to the terms and conditions set forth herein.

 NOW, THEREFORE, for and in consideration of the foregoing, the covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

 1.1 Definitions.

 As used herein, the following terms have the following meanings:

 “Actual In-State Benefits” means the economic value that is actually provided to the state of Maine as a result of this Agreement and the operation of the Biomass Resource, as determined by the Commission, including but not limited to capital investments to improve long-term viability of the Biomass Resource, permanent direct jobs, payments to municipalities, payments for fuel harvested in the State, payment for in-state resource access, in-state purchases of goods and services and construction-related jobs and purchases.

 “Biomass Resource” means a source of electrical generation fueled by wood, wood waste, or landfill gas that produces energy that may be physically delivered to the ISO-NE region, as defined in the Maine Revised Statutes, Title 35-A, section 1902, subsection 3, or in the NMISA region.

 “Biomass Energy” means electricity generated by Biomass Resources.

## “Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday, a holiday recognized by the State of Maine or a holiday as defined by NERC. A Business Day shall open at 8:00 a.m. and close at 4:00 p.m. local time for the relevant party’s principal place of business. The relevant party, in each instance unless otherwise specified, shall be the party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

“Capacity” means the capacity value of the Facility or Facilities as determined by the ISO-NE [or the NMISA]. [PROPOSED CONTRACTS SHOULD ADDRESS PENALTIES AND INCENTIVE PAYMENTS IN ISO-NE FCM FOR PAY-FOR-PERFORMACE RULES.]

“Capacity Value” means the value of the Facility or Facilities realized in the ISO-NE Forward Capacity Market [or the NMISA market]. [PROPOSED CONTRACTS SHOULD ADDRESS PENALTIES AND INCENTIVE PAYMENTS IN ISO-NE FCM FOR PAY-FOR-PERFORMACE RULES.]

 "Commission" means the Maine Public Utilities Commission, and any successor organization.

 “Contract Capacity Price” shall have the meaning specified in Section 3.3.2.

 “Contract Energy Price” shall have the meaning specified in Section 3.3.1.

 “Contract Payments” shall have the meaning specified in Section 3.4, as adjusted in accordance with Section 5.2.

 “Contract Products” means the Energy and Capacity Value and/or RECs that are purchased and sold pursuant to the Agreement.

 “Contract Quantity of Capacity Value” shall have the meaning specified in Section 3.2.2.

 “Contract Quantity of Energy” shall have the meaning specified in Section 3.2.1.

 “Contract Quantity of RECs” shall have the meaning specified in Section 3.2.3.

 “Contract RECs Price” shall have the meaning specified in Section 3.3.3.

“Contract Year” means the each of the two 12-month periods beginning on the first day

of the Term.

“Contract Year Quarter” means the four successive three (3) month periods beginning on the first day of each Contract Year.

“Costs” means, with respect to the non-defaulting Party, brokerage fees, commissions and other similar third-party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys’ fees and expenses incurred by the non-defaulting Party in connection with the termination of the Agreement, and calculated pursuant to Section 10.2.

“Cost Recovery Fund” means the amount transferred to the Commission from the Maine General Fund that will be used to pay the T&D for all above-market costs for Agreements authorized pursuant to Public Law 2016, Chapter 483.

“Credit Support” means the financial security to be provided by Seller in accordance with Article 6.

“Credit Support Amount” means the amount of Credit Support to be provided quarterly from the Seller to the T&D and calculated in accordance with Section 6.1.2.

 "Delivery Point" means [NTD: Insert the node in the ISO-NE system applicable to the Facility]. [FOR NMISA, “the NMSA system”.]

 “Dispute Interest Rate” shall have the meaning specified in Section 4.1.3(b).

 “Due Date” shall have the meaning specified in Section 4.1.3(a).

 "Effective Date" means DATE.

 “Energy” means Energy produced from the Facility in the form of electricity, measured in megawatt hours (“MWh”), which is transferred by Seller to the T&D pursuant to this Agreement.

 “Facility” or “Facilities” means the plant and equipment utilized by Seller to generate Biomass Energy.

 "FERC" means the Federal Energy Regulatory Commission, and any successor organization.

 “Force Majeure” shall have the meaning specified in Section 11.1.

“Gains” means an amount equal to the present value of the economic benefit, if any (exclusive of Costs), resulting from the termination of the Agreement, including but not limited to any above-market Contract Payments and Required In-State Benefits that would have been required through the remainder of the Term, determined in a commercially reasonable manner.

“Generator Forced Outage” means an immediate reduction in output or capacity or removal from service, in whole or in part, of a generating unit by reason of an emergency or threatened emergency, unanticipated failure, or other cause beyond the control of the owner or operator of the Facility, as specified in the relevant portions of the ISO New England Manuals and ISO New England Administrative Procedures.

“Generator Planned Outage”means the scheduled removal from service, in whole or in part, of a generating unit for inspection, maintenance or repair with the approval of the ISO in accordance with the ISO New England Manuals and ISO New England Administrative Procedures.

“Good Engineering and Operating Practices” means any of the practices, methods and activities adopted by a significant portion of the North America electric utility industry as good practices applicable to the design, building, and operation of generating facilities of similar type, size and capacity or any of the practices, methods or activities that, in the exercise of skill, diligence, prudence, foresight and reasonable judgment by a prudent generator of electricity in light of the facts known at the time the decision was made, reasonably could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and laws and regulations.

 “In-State Benefits” means the economic value provided to the state of Maine as a result of this Agreement and the operation of the Biomass Resource, including but not limited to capital investments to improve long-term viability of the Biomass Resource, permanent direct jobs, payments to municipalities, payments for fuel harvested in the State, payment for in-state resource access, in-state purchases of goods and services and construction-related jobs and purchases.

 “In-State Benefits Report” shall have the meaning specified in Section 5.1.2.

 “Indemnified Party” shall have the meaning specified in Section 12.1.

 “Indemnifying Party” shall have the meaning specified in Section 12.1.

 “ISO-NE” means ISO New England, Inc. or any successor entity.

 “ISO-NE Market Rules and Manuals” means Section III of the ISO-NE Tariff and its implementing Manuals adopted by ISO-NE to govern the operation of the ISO-NE markets for energy, reserves and capability, as amended from time to time.

 “ISO-NE Region” means the area administered by the ISO-NE.

“ISO-NE Rules” means all rules and operating procedures adopted by ISO-NE, as such rules and operating procedures may be amended from time to time, including but not limited to, the ISO-NE Market Rules and Manuals and ISO-NE Operating Procedures.

 “ISO-NE Tariff” means the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, effective February 1, 2006, as may be amended from time to time.

“Letter(s) of Credit” means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody’s, in a form acceptable to the Party in whose favor the letter of credit is issued.

“Losses” means an amount equal to the present value of the economic loss, if any (exclusive of Costs), resulting from termination of the Agreement, including but not limited to any above-market Contract Payments and Required In-State Benefits that would have been required through the remainder of the Term, determined in a commercially reasonable manner, subject to Section 10.2 hereof.

 “NERC” means North American Electric Reliability Council or any successor entity.

 [“NMISA” means the Northern Maine Independent System Administrator or any successor entity.]

 [“NMISA Market Rules” means the Northern Maine Market Rules in effect at the time.]

 [“NMISA Tariff” means the FERC FPA Electric Tariff of the Northern Maine Independent System Administrator in effect at the time.]

 [“NMISA Region” means the area administered by NMISA.]

 “Node” means a point on the New England Transmission System at which Locational Marginal Prices are calculated.

 “Node LMP” means the hourly Day Ahead or Real Time Locational Marginal Price of Energy for the Node applicable to the Facility as established in accordance with ISO-NE Market Rule and Manuals, expressed in dollars per megawatt hour ($/MWh).

 “Party” means either T&D or Seller and “Parties” means both T&D and Seller.

 “REC” or “Renewable Energy Credits” means (i) the electronic certificates as defined in Rule 2.1 of the NEPOOL-GIS Operating Rules which are derived from a generator in NEPOOL that has Renewable Portfolio Standard Eligibility or, (ii) for generators in the NMISA Region, the renewable attributes of the Facility as established through market settlement data or other documentation that demonstrates the resource(s) used by the Facility to generate energy.

 “Reduction of Contract Payments” shall have the meaning specified in Section 5.2.

 “Required In-State Benefits” means the economic value required to be provided to the state of Maine as a result of this Agreement and the operation of the Biomass Resource, as determined by the Commission and as set forth in Attachment C, including but not limited to capital investments to improve long-term viability of the Biomass Resource, permanent direct jobs, payments to municipalities, payments for fuel harvested in the State, payment for in-state resource access, in-state purchases of goods and services and construction-related jobs and purchases.

 “Replacement Security” shall have the meaning specified in Section 6.2.

 “Replacement Downgrade Event” shall have the meaning specified in Section 6.2.

"Seller" means \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and its permitted successors and assigns.

 "T&D" means \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and its permitted successors and assigns.

 "Term" shall have the meaning specified in Section 2.3.

“Terminated Transaction” means a termination of this Agreement under conditions that result in a Termination Payment.

“Termination Payment” has the meaning set forth in Section 10.2.

This Agreement includes certain capitalized terms that are not explicitly defined in this Section 1.1 or elsewhere in this Agreement.  Such capitalized terms shall have the meanings specified in the ISO-NE Tariff and the ISO-NE Market Rules and Manuals, which meanings are incorporated herein by reference and made a part hereof. In the event of any inconsistency between a definition contained herein and a definition contained in either the ISO-NE Tariff or the ISO-NE Market Rules and Manuals, the definition in this Agreement will control for purposes of this Agreement.

ARTICLE 2

CONDITIONS PRECEDENT, EFFECTIVE DATE AND TERM

 2.1 Conditions on Obligations of T&D and the Seller.

 The obligations of T&D and the Seller under this Agreement are subject to the fulfillment and satisfaction of each of the following conditions precedent, any one or more of which may only be waived in writing, in whole or in part, by the Party for whose benefit such condition exists. As used in this Agreement, the “Party for whose benefit a condition exists” means the Party whose obligation is contingent upon the occurrence of that condition.

 2.1.1 Conditions on Obligations of T&D.

 (a) All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date when made and at and as of the Effective Date as though such representations and warranties had been made or given on such date (except to the extent such representations and warranties specifically pertain to an earlier date), and Seller shall have delivered to T&D a certificate, substantially in the form contained in Attachment A, dated as of the Effective Date and signed by one of its duly authorized officers specifying that each of the conditions applicable to Seller have been satisfied or waived.

 (b) There shall not be any litigation or proceeding pending that restrains, prohibits or prevents or seeks to restrain, prohibit or prevent, the Parties (or either Party) from consummating the transactions contemplated by this Agreement.

 (d) All T&D required regulatory approvals shall have been received and are final and in full force and effect pursuant to a final, non-appealable order, which approvals shall not have materially modified the express terms and conditions of this Agreement.

 2.1.2 Conditions on Obligations of Seller.

 (a) All representations and warranties of T&D contained in this Agreement shall be true and correct in all material respects as of the date when made and at and as of the Effective Date as though such representations and warranties had been made or given on such date (except to the extent such representations and warranties specifically pertain to an earlier date), and T&D shall have delivered to Seller a certificate, substantially in the form contained in Attachment A, dated as of the Effective Date and signed by one of its duly authorized officers specifying that each of the conditions applicable to Seller have been satisfied or waived.

 (b) There shall not be any litigation or proceeding pending that restrains, prohibits or prevents or seeks to restrain, prohibit or prevent the Parties (or either Party) from consummating the transactions contemplated by this Agreement.

 (c) All Seller required regulatory approvals shall have been received by Seller and be final and in full force and effect pursuant to a final, non-appealable order, which approvals shall not have materially modified the express terms and conditions of this Agreement.

 2.2 Failure to Satisfy Conditions.

 In the event that conditions set forth in Section 2.1.1 (Conditions on Obligations of T&D) or Section 2.1.2 (Conditions on Obligations of Seller) are not satisfied or waived as of the Effective Date, then either Party, at its option, may terminate this Agreement by delivering a notice of termination to the other Party on the Effective Date and identifying in reasonable detail the condition(s) which have not been satisfied or waived. Upon any termination of this Agreement in accordance with this Section 2.2, neither Party shall have any obligation to the other under this Agreement.

 2.3 Term.

 Unless earlier terminated in accordance with the provisions of this Agreement, this Agreement shall remain in effect from the Effective Date through 00:00 EPT on the second (2nd) anniversary of the first day of the Effective Date (“Term”). At the expiration of the Term, the Parties shall no longer be bound by the terms and conditions of this Agreement, except to the extent necessary to enforce the rights and obligations of the Parties arising under this Agreement prior to the expiration of the Term.

ARTICLE 3

TERMS OF TRANSACTION

 3.1 Scope.

This Agreement enables Seller to sell and deliver to T&D and T&D to purchase and receive from Seller the Contract Quantity of Energy, [SELECT IF CAPACITY AND/OR RECS ARE ALSO INCLUDED: the Contract Quantity of Capacity Value, and/or the Contract Quantity of RECs] from the Facility subject to the terms of this Agreement. Subject to the terms of this Agreement, during the Term, Seller shall sell and deliver, or cause to be delivered, and T&D shall purchase and receive, or cause to be received, at the Delivery Point the Contract Quantity of Energy [SELECT IF CAPACITY AND/OR RECS ARE ALSO INCLUDED: the Contract Quantity of Capacity Value, and/or the Contract Quantity of RECs] and T&D shall pay Seller the Contract Payments pursuant to the terms and conditions of this Agreement.

3.2 Contract Quantities.

3.2.1 Contract Quantity of Energy.

The Contract Quantity of Energy is Energy transferred by Seller to T&D in an amount that does not exceed \_\_ MWh in any hour. Energy produced by the Facility in excess of \_\_ MWh in any hour shall not be purchased by T&D pursuant to this Agreement.

[3.2.2 Contract Quantity of Capacity Value.

The Contract Quantity of Capacity Value is the revenue received by the Facility in the ISO-NE Forward Capacity Market (or NMISA market) for \_\_\_ MW of Capacity.]

[3.2.3 Contract Quantity of RECs.

The Contract Quantity of RECs is \_\_, and may not be an amount that is greater than the Contract Quantity of Energy.]

3.3 Contract Prices.

 3.3.1 Contract Energy Price.

 The Contract Energy Price in each hour shall be \_\_\_\_\_ per MWh for all Energy transferred by Seller to T&D pursuant to this Agreement.

 [3.3.2 Contract Capacity Price.

 The Contract Capacity Price in each hour shall be \_\_\_\_per kW-month for all Capacity Value transferred by Seller to T&D pursuant to this Agreement.]

 [3.3.3 Contract RECs Price.

 The Contract RECs Price in each hour shall be \_\_\_ per REC for all RECs transferred by Seller to T&D pursuant to this Agreement.]

3.4 Contract Payments.

The Contract Payments means the monthly amount to be paid, and actually paid, by T&D to Seller for the Contract Products provided by Seller and shall equal the Contract Energy Price multiplied by the Energy actually delivered to the T&D [plus the Contract Capacity Price multiplied by the Capacity Value actually delivered to the T&D] [plus the Contract RECs Price multiplied by the RECs actually delivered to the T&D].

3.5 Delivery.

The Contract Quantity of Energy shall be delivered by Seller to T&D at the Delivery Point. In the event ISO-NE establishes a new Node applicable to the Facility, the Parties agree to negotiate in good faith to amend this Agreement to reflect the appropriate Delivery Point. In the event the Parties are unable to reach agreement on the appropriate Delivery Point, the matter shall be referred to arbitration in accordance with Article 13 of this Agreement.

Title to and risk of loss related to the Energy shall transfer to T&D at the Delivery Point. Seller shall bear all line losses up to the Delivery Point.

3.6 Seller’s and T&D’s Obligation.

Subject to the terms of this Agreement, during the Term, Seller shall sell and deliver, or cause to be delivered, and T&D shall purchase and receive, or cause to be received, the Contract Products and Contract Quantities specified in Section 3.2, and T&D shall pay Seller the Contract Payments pursuant to the terms and conditions of this Agreement. Seller and T&D, respectively, shall be responsible for any costs or charges imposed on or associated with the delivery of the Contract Products including but not limited to control area services, inadvertent Energy flows, emission allowances and environmental charges, transmission losses and loss charges relating to the transmission of the Contract Quantity of Energy (i) up to the Delivery Point in the case of Seller and (ii) at and from the Delivery Point in the case of T&D.

 In fulfilling these obligations, Seller and T&D shall take all actions required by the applicable rules and processes, including the ISO Market Rules and Manuals, ISO Tariff, and the NEPOOL GIS. [equivalent for NMISA]. Seller shall be solely responsible for completion and submittal of the appropriate ISO-NE Asset Registration for the Facility and shall provide any and all additional information and pay any and all costs as required by the ISO-NE to participate in the Forward Capacity Market as defined under Section 13 of Market Rule 1.

 3.7 Transmission and Scheduling.

 Seller shall arrange and be responsible for any necessary transmission service to deliver the Contract Products to the Delivery Point. Seller shall not be responsible for transmission service from the Delivery Point.

3.8 Title, Risk of Loss.

As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of the Contract Products prior to the Delivery Point and T&D shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of the Contract Products at and from the Delivery Point. Title to and risk of loss related to the Contract Products shall transfer from Seller to T&D at the Delivery Point.

3.9 Facility Planned Outages.

Seller agrees that the only outages of the Facility shall be Generator Planned Outages, or Generator Forced Outages. Seller shall determine Generator Planned Outages based on its commercially reasonable judgment. Seller shall notify T&D in writing at least ninety (90) days in advance of its Generator Planned Outage schedule. Seller shall provide notice to and consult with T&D regarding any modifications to its Generator Planned Outage when the need for such modifications becomes known to Seller. Seller agrees that it will schedule Generator Planned Outage in accordance with the ISO-NE [NMISA] Tariffs, Market Rules and Manuals. During the months of January, February, July, and August during the Term, Seller will make good faith efforts to avoid and minimize any Generator Planned Outages, unless expressly agreed to by T&D, or Seller needs to perform such outages to comply with ISO [NMISA] or NERC requirements or other regulations.

ARTICLE 4

BILLING AND PAYMENT

 4.1 Billing and Payment.

4.1.1 Regular Billing.

 The billing of the Contract Payments shall be by invoice sent to T&D by Seller on or before the fifteenth (15th) day of each month. Each invoice shall set forth the calculation of the Contract Payments for the prior calendar month. If, during the ISO-NE Data Reconciliation Process, the amount of Energy delivered is determined to be different than amount initially billed by Seller in accordance with this Agreement, a revised invoice, reflecting the resettled quantity, will be sent to T&D by Seller within ten (10) Business Days of the issuance of the ISO-NE invoice containing the final resettled quantities.

## 4.1.2 Billing Address.

 Unless the use of electronic mail is agreed to by the Parties, invoices from Seller to T&D shall be sent by first class mail, courier or overnight delivery service to:

 Address:

 Attn:

 By thirty (30) days prior written notice to Seller, T&D may change the person or the address to which such invoice will be sent.

 4.1.3 Payment by T&D.

 (a) The T&D shall pay the amount stated in any invoice from Seller subject to the availability of sufficient funds in the Cost Recovery Fund. If sufficient funds are not available in the Cost Recovery Fund, invoiced amounts shall be treated in accordance with Section 4.1.3(e). If sufficient funds are available in the Cost Recovery Fund, T&D shall pay Seller upon the later of (i) ten (10) days of the date appearing on the invoice or (ii) the twenty-fifth (25th ) day of the month in which the invoice is received by T&D (“Due Date”), or if the T&D in good faith objects to all or a portion of the invoice, the T&D shall on or before the Due Date, (i) pay the undisputed portion of the invoice and (ii) provide an itemized statement of its objections setting forth in reasonable detail the basis for its objections. If the T&D does not object prior to the Due Date, the T&D shall be obligated to pay the full amount of such invoice, but the T&D may subsequently object to such invoice and, if such objection proves to be correct, receive a refund of the disputed amount, plus interest (calculated using the Dispute Interest Rate set forth in Section 4.1.3(b)) from the date of T&D’s original payment through the date of Seller’s refund payment. If T&D does not object to an invoice within twenty-four (24) months of the date of the invoice, such invoice shall be binding upon the T&D and Seller and not subject to challenge by either Party. The right to dispute or object to an invoice, shall, subject to the time limitation provided in this Section 4.1.3(a), survive the expiration or termination of this Agreement. Payments shall be made by electronic funds transfer to an account designated by Seller in the invoice or in a notice delivered to the Seller.

 (b) Except for because of an insufficiency of funds in the Cost Recovery Fund, any invoiced amounts remaining unpaid and not objected to after the expiration of the period for providing notice of a dispute pursuant to Section 4.1.3(a) shall bear interest accruing from the Due Date at an annual interest rate equal to the lesser of the maximum rate permitted by the applicable law and the prime rate (sometimes referred to as base rate) for corporate loans as published by The Wall Street Journal, in the money rates section, or in the event The Wall Street Journal ceases publication of such a rate, an equivalent rate selected by Seller, as such rate may be in effect from time to time during the period any such amounts remain unpaid, plus a margin of 200 basis points. Any amounts which are the subject of a timely, good-faith dispute by Seller or T&D but which are subsequently determined to be due and owing shall bear interest accruing from the Due Date at an annual interest rate equal to the prime rate, as defined in the previous sentence (“Dispute Interest Rate”).

 (c) Unless the Parties mutually agree otherwise in writing, any payment due under subsection 4.1.3(a) or 4.1.3(b) hereof shall not be subject to monthly netting established by the Parties in the ordinary course of trading and shall be made without setoff or any other reduction on account of any claim Seller may have against T&D, other than a claim for billing adjustment as set forth in subsection 4.1.3(a).

 (d) All payments and refunds under this Agreement shall be made in United States dollars.

 (e) Upon receipt by the Parties of notice from the Commission that funds in the Cost Recovery Fund are not likely to be sufficient to reimburse T&Ds for the aggregate above market costs for the next calendar month associated with all agreements with Biomass Resources authorized pursuant to Public Law 2016, Chapter 483, the delivery of and payment for Contract Products in accordance with this Agreement shall be suspended until such time, if any, the Commission notifies the Parties that the Agreement may be reinstated.

4.2 Audit Rights of Parties.

Each Party, its affiliates and any third-party representative of a Party shall have the right, at its sole expense, and upon not less than thirty (30) days’ notice to the other Party, to examine the records of the other Party related to the Facility’s production of Energy, the calculation of payments due from one Party to the other, the Seller’s obligation to T&D for Capacity or records supporting or related any claim by Seller of a Force Majeure event, with such examination to occur during normal business hours upon reasonable notice.  Any information gathered during such examination shall constitute Confidential Information subject to the requirements of Article 8.

4.3 Billing Adjustments.

In the event that billing adjustments are required as the result of meter inaccuracies or any other error, the T&D and the Seller will work together to correct the billing.  Notwithstanding the foregoing, errors in metering or in generation settlement may be corrected, and associated financial adjustments may be made, only within the time period specified in the ISO-NE Market Rules, Manuals and Operating Procedures and T&D shall have no obligation to correct any errors outside of this timeframe. Any such billing adjustment is subject to the availability of funds in the Cost Recovery Fund.

ARTICLE 5

IN-STATE BENEFITS; REDUCTION OF CONTRACT PAYMENTS

 5.1 Seller’s Obligations.

 5.1.1 Performance Obligation

 Seller shall provide the Required In-State Benefits as set forth in Attachment C. In the event Seller does not provide the Required In-State Benefits in any Contract Year, as determined by the Commission, the Contract Payments received by Seller during that Contract Year shall be adjusted in accordance with Section 5.2.

 5.1.2. Reporting Obligation.

 Within 30 days after the end of each Contract Year, Seller shall provide a detailed report to the T&D and the Commission that describes, documents, and quantifies the In-State Benefits it provided during the Contract Year (“In-State Benefits Report”). [The Commission may require more frequent reporting, depending on the In-State Benefits to be provided]. The report shall include supporting documentation and materials, as well as backup for all quantifications and calculations, that are sufficient to allow the Commission to determine and verify the extent to which the In-State Benefits that Seller reports to have provided have actually been provided (Actual In-State Benefits).

 **The determination of Actual In-State Benefits is made by the Commission, in its sole discretion. If the Seller fails to provide the In-State Benefits Report the Commission may determine Actual In-State Benefits to be zero.**

 5.1.3 Seller Credit Support Obligation.

 Seller shall provide Credit Support in accordance with Article 6 to guarantee the amounts associated with potential Reduction of Contract Payments that may be required in accordance with Section 5.2.

 5.2 Reduction of Contract Payments.

(a) After each Contract Year, if the Commission determines that Seller has not provided Actual In-State Benefits during the previous Contract Year that are equal to or greater than the Required In-state Benefits, the Contract Payments received by Seller during the previous Contract Year shall be reduced by the following factor:

 (1 - (Actual In-state Benefits / Required In-state Benefits))

(“Reduction of Contract Payments”). By way of avoidance of doubt, if, for example, the Commission determines that Seller has provided Actual In-state Benefits that are equal to 80% of the Required In-State Benefits, the Contract Payments received by Seller for the applicable Contract Year shall be reduced by 20%.

(b) T&D shall make any required Reduction of Contract Payments by drawing on the Seller Credit Support for an amount equal to the Reduction of Contract Payments, as determined in accordance with this Section.

ARTICLE 6

SELLER CREDIT SUPPORT

6.1 Seller Credit Support. Seller shall provide and maintain Credit Support as follows:

6.1.1 The Credit Support Amount shall be based on the Contract Payments to be received by, and actually received by, Seller in accordance with this Agreement and shall be provided in accordance with the timing set forth in Sections 6.1.2 in either or both of the following forms: (a) cash or (b) an irrevocable Letter of Credit that unconditionally obligates the issuer to honor claims or drafts thereunder within ten (10) Business Days after notice to the issuer of such irrevocable Letter of Credit.

6.1.2. Contract Year One Credit Support.

 (a) Within 3 days after the Effective Date, Seller shall deliver to T&D Credit Support in an amount equal to or greater than the maximum Contract Payments it could receive during the first Contract Year Quarter. Not less than five (5) Business Days before each subsequent Contract Year Quarter during the first Contract Year, Seller shall deliver to T&D an incremental Credit Support amount such that the total Credit Support held by the T&D after the applicable Credit Support is delivered is equal to or greater than the cumulative Contracts Payments received during all prior Contract Quarters plus the maximum Contract Payment the Seller could receive during the subsequent Contract Year Quarter.

 (b) Within ten (10) Business Days after the T&D makes its first Reduction of Contract Payments pursuant to Section 5.2 of this Agreement, if any, T&D shall return or release all unused Credit Support, with interest if applicable, to Seller. The Seller may choose, instead, for all unused Credit Support from the first Contract Year to remain with the T&D to be used as Credit Support for the second Contract Year, in accordance with Section 6.1.3, if the Seller notifies T&D of this choice prior to the return or release of all unused Credit Support.

6.1.3. Contract Year Two Credit Support.

 (a) Not less than five (5) Business Days before each Contract Year Quarter of the second Contract Year, Seller shall deliver to T&D an incremental Credit Support amount such that the total Credit Support held by the T&D after the applicable Credit Support is delivered is equal to or greater than the cumulative Contracts Payments received during all prior Contract Quarters of the second Contract Year plus the maximum Contract Payment the Seller could receive during the subsequent Contract Year Quarter.

 (b) Within ten (10) Business Days after the T&D makes its second and final Reduction of Contract Payments pursuant to Section 5.2 of this Agreement, if any, T&D shall return or release all unused Credit Support, with interest if applicable, to Seller.

6.1.4 Any cash provided by Seller as Credit Support under this Agreement shall be held in an interest bearing deposit account selected by T&D in its reasonable discretion; provided, however that T&D shall have no obligation to segregate any cash provided as Credit Support in a segregated account. Interest shall accrue on that cash deposit at the daily Federal Funds Rate and shall be retained in that account.

6.1.5 At any time during the Term of this Agreement, Seller may deliver to T&D Credit Support in a form that meets the definition of Replacement Security in lieu of the Security Amount; provided that the amount of Replacement Security shall equal the Security Amount that would otherwise be applicable. Upon receipt of Replacement Security, T&D shall release the Credit Support held prior to Seller’s posting of Replacement Security.

6.2 Replacement Security. “Replacement Security” shall mean either: (a) cash or (b) an irrevocable letter of credit issued by a commercial bank authorized to do business and in good standing in the United States of America with a minimum long-term unsecured debt rating of at least “A-” by S&P or “A3” by Moody’s, or an equivalent debt rating by one of these agencies. If, at any time, the issuer of the Replacement Security fails to possess the minimum applicable requirements set forth in (b) in the immediately foregoing sentence (such occurrence defined herein as a “Replacement Downgrade Event”), the Party causing such Replacement Security to be issued shall deliver replacement credit support in a form and in the amount that meets the definition of Replacement Security within ten (10) Business Days of notice of such Replacement Downgrade Event. The other Party shall return the original Replacement Security to the Party causing the additional Replacement Security to be issued within ten (10) Business Days of the provision of such additional Replacement Security to the other Party. The form of any Replacement Security issued pursuant to this Section 6.2 (i.e., cash or irrevocable letter of credit) shall be at discretion of the Party causing such Replacement Security to be issued, provided that the form of such Replacement Security meets the requirements applicable to such form under this Agreement.

6.3 Cost and Proceeds of Credit Support. All costs associated with obtaining any credit support required by Sections 6.1 or 6.2 shall be the sole responsibility of the Seller.

6.4 Security Interest. To secure its obligations under this Agreement and to the extent Seller delivers cash as security hereunder, Seller hereby pledges, assigns, conveys and transfers to T&D and hereby grants to T&D, a present and continuing first priority security interest in and to, and a general first lien upon and right of set off against, all such cash collateral and all proceeds thereof. Seller agrees to take such action as T&D may reasonably request, in order to perfect T&D’s continuing security interest in, lien on, and right of setoff against such cash collateral and grants authority to the T&D to take such actions necessary to perfect the foregoing interests. This Agreement is a Security Agreement under the Uniform Commercial Code of the State of Maine.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

 7.1 Representations and Warranties of T&D.

 T&D hereby represents and warrants to the Seller that, as of the Effective Date:

 (a) T&D is a corporation duly organized, validly existing and in good standing under the laws of the State of Maine and is duly qualified to do business in all jurisdictions where such qualification is required or where such qualification is necessary for it to perform its obligations hereunder.

 (b) T&D has full power and authority to carry on its business as now being conducted, to enter into this Agreement and perform its obligations hereunder. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action and do not and will not contravene its organizational documents or conflict with, result in a breach of, or entitle T&D (with due notice or lapse of time or both) to terminate, accelerate or declare a default under, any agreement or instrument to which it is a party or by which it is bound. The execution, delivery and performance by T&D of this Agreement will not result in any violation by it of any law, any order of any court or other agency of government, rule or regulation applicable to it. T&D is not a party to, nor subject to or bound by, any judgment, injunction or decree of any court or other governmental entity which may restrict or interfere with the performance of this Agreement by it.

 (c) This Agreement is the legal, valid and binding obligation of T&D, enforceable against it in accordance with its terms, except as such enforcement may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, avoidance, preferential transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and by general principles of equity that may limit the availability of equitable remedies and contractual obligations generally (regardless of whether the issue of enforceability is considered in a proceeding in equity or at law), and the remedy of specific performance and injunctive relief may be subject to the discretion of the court before which any proceeding therefore may be brought.

 (d) Except for T&D required regulatory approvals, no consent, waiver, order, approval, authorization or order of, or registration, qualification or filing with, any court or other governmental agency or authority is required for the execution, delivery and performance by T&D of this Agreement and the consummation by T&D of the transactions contemplated hereby, except such consents which have been obtained, and as to such consents the same are final, are in full force and effect, and are not subject to any appeal or further judicial or administrative proceedings. No consent or waiver of any party to any contract to which T&D is a party or by which T&D is bound is required for the execution, delivery and performance by T&D of this Agreement.

###  (e) There is no action, suit, grievance, arbitration or proceeding (other than proceedings of general applicability to the electrical generation, transmission and distribution industry and proceedings in the ordinary course of business to obtain authorizations, approvals and permits) pending or, to the knowledge of T&D, threatened against or affecting T&D at law or in equity, before any federal, state, municipal or other governmental court, department, commission, board, arbitrator, bureau, agency or instrumentality which prohibits or impairs T&D’s ability to execute and deliver this Agreement or to consummate any of the transactions contemplated hereby.

### (f) There are no bankruptcy or insolvency proceedings pending or being contemplated by T&D or, to its knowledge, threatened against T&D.

 (g) No Event of Default with respect to T&D has occurred and is continuing and no such event or circumstance would occur as a result of T&D entering into or performing its obligations under this Agreement.

7.2 Representations and Warranties of the Seller.

 The Seller hereby represents and warrants to T&D that as of the Effective Date:

 (a) Seller is a \_\_\_\_\_\_\_\_\_\_, duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_\_\_\_ and is duly qualified to do business in all jurisdictions where such qualification is required or where such qualification is necessary for it to perform its obligations hereunder.

 (b) Seller has full power and authority to carry on its business as now being conducted, to enter into this Agreement and perform its obligations hereunder. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other organizational action and do not and will not contravene its organizational documents or conflict with, result in a breach of, or entitle Seller (with due notice or lapse of time or both) to terminate, accelerate or declare a default under, any agreement or instrument to which it is a party or by which it is bound. The execution, delivery and performance of this Agreement by Seller will not result in any violation by it of any law, any order of any court or other agency of government, rule or regulation applicable to it. Seller is not a party to, nor subject to or bound by, any judgment, injunction or decree of any court or other governmental entity which may restrict or interfere with the performance of this Agreement by it.

 (c) This Agreement is the legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms, except as such enforcement may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, avoidance, preferential transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and by general principles of equity that may limit the availability of equitable remedies and contractual obligations generally (regardless of whether the issue of enforceability is considered in a proceeding in equity or at law), and the remedy of specific performance and injunctive relief may be subject to the discretion of the court before which any proceeding therefore may be brought.

 (d) No consent, waiver, order, approval, authorization or order of, or registration, qualification or filing with, any court or other governmental agency or authority is required for the execution, delivery and performance by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby, except such consents which have been obtained, and as to such consents the same are final, are in full force and effect, and are not subject to any appeal or further judicial or administrative proceedings. No consent or waiver of any party to any contract to which Seller is a party or by which Seller is bound is required for the execution, delivery and performance by Seller of this Agreement.

 (e) There is no action, suit, grievance, arbitration or proceeding (other than proceedings of general applicability to the electrical generation, transmission and distribution industry and proceedings in the ordinary course of business to obtain authorizations, approvals and permits) pending or, to the knowledge of Seller, threatened against or affecting Seller at law or in equity, before any federal, state, municipal or other governmental court, department, commission, board, arbitrator, bureau, agency or instrumentality which prohibits or impairs Seller’s ability to execute and deliver this Agreement or to consummate any of the transactions contemplated hereby.

###  (f) There are no bankruptcy or insolvency proceedings pending or being contemplated by Seller or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or, to its knowledge, threatened against Seller or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

 (g) No Event of Default with respect to Seller has occurred and is continuing and no such event or circumstance would occur as a result of Seller entering into or performing its obligations under this Agreement.

ARTICLE 8

CONFIDENTIALITY

 8.1 Confidentiality.

 (a) The Parties agree not to disclose to any third person and to keep confidential, and to cause and instruct their affiliates, officers, directors, members, employees and representatives not to disclose to any third party and to keep confidential, any and all information designated in writing by a Party as confidential, proprietary or trade secret and obtained by either Party from the other relating to this Agreement or the underlying transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided, however, that any information may be disclosed by a receiving Party (i) to the extent required by applicable laws and regulations or by any subpoena or similar legal process so long as the Party whose information is being disclosed is given written notice, if such notice is practicable, at least five (5) days prior to such disclosure; (ii) to the extent the information is in the public domain or the disclosing Party shall have otherwise made the information public or shall have consented in writing prior to any such disclosure; (iii) in connection with the required submission or disclosure of this Agreement or any of its terms to the Commission; or (iv) to the extent the information was known to the receiving Party independent of receipt from the disclosing Party and without violation of this Agreement by the receiving Party. The Parties agree that all written communications, including electronic communications, by Seller to T&D during the course of negotiation of this Agreement and concerning the terms of this Agreement, shall be deemed confidential for purposes of this Section 8.1.

 (b) Notwithstanding the provisions of Section 8.1(a) above, the Parties agree that, upon execution of this Agreement and upon final Commission approval of this Agreement or the entry of a final Commission order authorizing the T&D to enter into this Agreement, this Agreement shall be a public record of the Commission In addition, the parties agree that T&D may file reports of transactions pursuant to this Agreement with the Commission and with the Federal Energy Regulatory Commission, and the contents of such reports shall not be confidential.

8.1.2 Both Parties shall at all times comply with the ISO-NE [NMISA] Information Policy. To the extent that the ISO-NE [NMISA] Information Policy would impose a stricter confidentiality standard on either Party with regard to any information relating to this Agreement, the Parties agree to comply with that stricter confidentiality standard.

8.1.3 Notwithstanding anything to the contrary in this Section 8.1, in the event of any required disclosure of confidential information pursuant to this Section 8.1, the disclosing Party shall reasonably cooperate with the other Party in efforts to limit the disclosure and otherwise redact such confidential information requested by the non-disclosing Party to the maximum extent permitted by law.

 8.2 Equitable Relief.

 The Parties agree that remedies at law may be inadequate to protect the disclosing Party in the event of a breach of confidentiality, and the receiving Party hereby, in advance, agrees to the granting of injunctive relief in favor of the disclosing Party to prevent the continuation of any such breach without proof of actual damages. The rights and duties accruing from this provision may not be transferred or assigned by any Party without the prior written consent of the other Party.

ARTICLE 9

EVENTS OF DEFAULT

 9.1 Events of Default by the Seller.

 Any one or more of the following shall constitute an "Event of Default" hereunder with respect to the Seller:

 (a) Seller fails to operate at least at 50% capacity, except for planned and forced outages;

 (b) Seller ceases to hold any regulatory approval, the failure or cessation of which results in a lack of legal right on the part of Seller to continue to operate the Facility as a Biomass Resource Facility and such failure continues for more than (30) days;

 (c) Seller fails to provide Credit Support in the amounts and within the due dates required by Section 6.1;

 (d) default shall occur in the performance of any other covenant or condition to be performed by the Seller hereunder and such default is not cured within thirty (30) days after written notice from T&D specifying the nature of such default;

 (e) a custodian, receiver, liquidator or trustee of the Seller, or of a material portion of the property of Seller, is appointed or takes possession and such appointment or possession remains uncontested or in effect for more than sixty (60) days; or the Seller makes an assignment for the benefit of its creditors or admits in writing its inability to pay its debts as they mature; or the Seller is adjudicated bankrupt or insolvent; or an order for relief is entered under the Federal Bankruptcy Code against the Seller; or any of the material property of Seller is sequestered by court order and the order remains in effect for more than sixty (60) days; or a petition is filed against the Seller under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or subsequently in effect, and is not stayed or dismissed within sixty (60) days after filing;

 (f) the Seller files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or subsequently in effect; or consents to the filing of any petition against it under any such law; or consents to the appointment of or taking possession by a custodian, receiver, trustee or liquidator of the Seller or a material portion of the property of Seller;

 (g) Seller utilizes any source of fuel other than wood, wood waste or landfill gas for the generation of Energy; or

 (h) Producer fails or ceases to comply with Good Engineering and Operating Practices.

 9.2 Events of Default by T&D.

 Any one or more of the following shall constitute an "Event of Default" hereunder with respect to T&D:

 (a) the T&D fails to pay any amounts due from the T&D to Seller hereunder and such failure continues for more than five (5) Business Days after written notice of such failure from Seller;

 (b) default shall occur in the performance of any other covenant or condition to be performed by T&D hereunder and such default shall is not cured within thirty (30) days after written notice from the Seller specifying the nature of such default;

 (c) a custodian, receiver, liquidator or trustee of T&D or of a material portion of its property is appointed or takes possession and such appointment or possession remains uncontested or in effect for more than sixty (60) days; or T&D makes an assignment for the benefit of its creditors or admits in writing its or their inability to pay its debts as they mature; or T&D is adjudicated bankrupt or insolvent; or an order for relief is entered under the Federal Bankruptcy Code against T&D; or any of the material property of T&D is sequestered by court order and the order remains in effect more than sixty (60) days; or a petition is filed against T&D under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or subsequently in effect, and is not stayed or dismissed within sixty (60) days after filing; or

 (d) T&D files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or subsequently in effect; or consents to the filing of any petition against it under any such law; or consents to the appointment of or taking possession by a custodian, receiver, trustee or liquidator of T&D or a material portion of its property;

ARTICLE 10

REMEDIES; TERMINATION PAYMENT

 10.1 Exercise of Remedies in an Event of Default.

 During the continuance of an Event of Default by either Party hereunder, the non-defaulting Party shall have the right (i) to accelerate all amounts owing between Parties, (ii) to cease making payments that are or may become due hereunder, and (iii) to terminate this Agreement at any time during the continuation of such Event of Default.

 10.2 Calculation of Termination Payment.

 The non-defaulting Party shall calculate, in a commercially reasonable manner, the Losses, Costs, and Gains, incurred or not realized as a result of the termination of the Agreement. To the extent the non-defaulting Party’s Losses and Costs, net of Gains, are greater than zero, there shall be a termination payment due to the non-defaulting Party from the defaulting Party in an amount equal to the non-defaulting Party’s Losses and Costs, net of Gains (“Termination Payment”).

10.3 Termination Payment Due to T&D.

In the event a Termination Payment is due to the T&D, the T&D may draw upon the Seller Credit Support for this amount. If the Credit Support held by the T&D exceeds the Termination Payment, T&D shall return or release this excess Credit Support, with interest if applicable, to Seller. If the Termination Payment exceeds the Credit Support held by the T&D, Seller shall pay to T&D the amount of this excess Termination Payment.

10.4 Termination Payment Due to Seller.

In the event a Termination Payment is due to the Seller, the Termination Payment may not exceed the amount available to the Seller in the Cost Recovery Fund, as determined by the Commission taking into account the amount of funds required for other Contracts entered into pursuant to Public Law 2016, Chapter 483.

 10.5 Notice of Termination Payment.

As soon as practicable after termination, notice shall be given by the non-defaulting Party of the amount of the Termination Payment due from the defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the defaulting Party within five (5) Business Days after such notice is effective.

10.6 Disputes With Respect to Termination Payment.

If the defaulting Party disputes the non-defaulting Party’s calculation of the Termination Payment, in whole or in part, the defaulting Party shall, within five (5) Business Days of receipt of non-defaulting Party’s calculation of the Termination Payment, provide to the non-defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that, if Seller is the defaulting party, the Seller first shall pay the undisputed portion of the Termination Payment to the T&D and T&D shall continue hold the disputed portion in the form of Credit Support already provided by Seller, and:

 (a) if the disputed portion exceeds the Credit Support held by T&D, Seller shall transfer to T&D additional credit support in either or both of the forms identified in Article 6 of this Agreement in an amount equal to the difference between the Credit Support held by the T&D and the disputed portion of the Termination Payment; or

 (b) if the Credit Support held by T&D exceeds the disputed portion, T&D shall return or release this excess Credit Support, with interest if applicable, to Seller.

Without limiting the foregoing, any disputes between the Parties with respect to the calculation of the Termination Payment shall be conducted in accordance with Article 13 of the Agreement.

 10.7 Indirect, Special or Consequential Damages.

 THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY HEREIN PROVIDED, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. EXCEPT IN THE EVENT OF AN ACTION COVERED BY THE INDEMNIFICATION PROVISIONS OF ARTICLE 12 OF THE AGREEMENT, NEITHER PARTY SHALL BE LIABLE FOR ANY 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. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE 11

FORCE MAJEURE

 11.1 Force Majeure Event.

Neither Party shall be considered to be a Defaulting Party under this Agreement or responsible in tort, strict liability, contract or other legal theory to the other Party for damages of any description for any event or circumstance which causes any interruption or failure of service or deficiency in the quality or quantity of service, or any other failure to perform if such failure: (i) is not caused by the affected Party’s fault or negligence; (ii) is caused by one or more events, conditions, or circumstances beyond the Party’s reasonable control and; (iii) that by exercise of reasonable diligence the Party is unable to prevent or overcome (a “Force Majeure”). As long as it satisfies the above criteria, a Force Majeure may include, without limitation, storm, flood, lightning, earthquake, explosion, sabotage, terrorism, war, insurrection, or act of God or the public enemy. Any obligation to pay an amount otherwise owed may not be excused by Force Majeure. Notwithstanding the foregoing, Force Majeure shall not include: (i) economic hardship of either party; (ii) changes in market conditions (including the loss of either Party’s markets) and actions or failures to act of any Governmental Authority or ISO-NE that affect the price of energy, capacity or transmission, (iii) the ability of Seller to sell any Contract Products to a third party at a price greater than as set forth in this Agreement; (iv) the ability of T&D to purchase any Contract Products from a third party at a price lower than as set forth in this Agreement; (v) equipment failures that are not directly related to Force Majeure; (vi) a Party’s failure to timely obtain and maintain all necessary permits due to the fault or negligence of such Party; (vii) a Party’s failure to satisfy contractual conditions or commitments; or (viii) a Party’s lack of or deficiency in funding or other resources.

11.2 Performance Excused.

If either Party is rendered wholly or partly unable to perform its obligations hereunder because of Force Majeure as defined above, that Party shall be excused from whatever performance is affected by the Force Majeure to the extent so affected, provided that: (i) the non-performing Party will, as soon as practicable after the occurrence of Force Majeure, give the other Party written notice describing the particulars of the occurrence; (ii) the suspension of performance shall be of no greater scope and of no longer duration than is reasonably required by the Force Majeure; and (iii) the non-performing Party shall use due diligence to remedy its inability to perform. The non-performing Party shall inform the other Party of when it expects to remove the cause, if possible, and what steps it is taking to cure.

ARTICLE 12

INDEMNIFICATION

12.1 Indemnification.

Each Party (“Indemnifying Party”) shall indemnify, defend and hold the other Party ("Indemnified Party") and its partners, shareholders, members, directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all Claims arising from any act or incident occurring when title to the Energy is vested in the Indemnifying Party, unless such Claims are caused by the sole negligence, gross negligence, or willful misconduct of the other Party. In the event injury or damage results from the joint or concurrent negligent or willful misconduct of the Parties, each Party shall be liable under this indemnification in proportion to its relative degree of fault. Such duty to indemnify shall not apply to any claims which arise or are first asserted more than two (2) years after the termination of this Agreement.

12.2 Procedures.

Each Indemnified Party shall promptly notify the Indemnifying Party of any Claim in respect of which the Indemnified Party is entitled to be indemnified hereunder. Such notice shall be given as soon as is reasonably practicable after the Indemnified Party becomes aware of each Claim; provided, however, that failure to give prompt notice shall not adversely affect any Claim for indemnification hereunder except to the extent the Indemnifying Party’s ability to contest any Claim by any third-party is materially adversely affected. The Indemnifying Party shall have the right, but not the obligation, at its expense, to contest, defend and litigate, and to control the contest, defense or litigation of, any Claim by any third-party alleged or asserted against any Indemnified Party arising out of any matter in respect of which such Indemnified Party is entitled to be indemnified hereunder. The Indemnifying Party shall promptly notify such Indemnified Party of its intention to exercise such right set forth in the immediately preceding sentence and shall reimburse the Indemnified Party for the reasonable costs and expenses paid or incurred by it prior to the assumption of such contest, defense or litigation by the Indemnifying Party. If the Indemnifying Party exercises such right in accordance with the provisions of this Article 12 and any Indemnified Party notifies the Indemnifying Party that it desires to retain separate counsel in order to participate in or proceed independently with such contest, defense or litigation, such Indemnified Party may do so at its own expense. If the Indemnifying Party fails to exercise its rights set forth in the third sentence of this paragraph, then the Indemnifying Party will reimburse the Indemnified Party for its reasonable costs and expenses incurred in connection with the contest, defense or litigation of such Claim.

12.3 Claim.

For purposes of this Article 12, "Claim" means any claim or action threatened or filed by a person other than a Party hereto, and whether groundless, false or fraudulent, that directly or indirectly relates to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorney’s fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, and whether such claims are exemplary or punitive in nature.

ARTICLE 13

DISPUTE RESOLUTION; ARBITRATION

 13.1 Resolution by Officers of the Parties.

 In the event of any dispute between the Parties hereto as to a matter referred to herein or as to the interpretation of any part of this Agreement, including but not limited to this Section 13.1 or as to the determination of any rights or obligations or entitlements arising from or related to this Agreement, the Parties shall refer the matter to their duly authorized officers for resolution. Such duly authorized officers may delegate the matter to a non-officer, but only if such delegate is granted full authority to resolve such dispute. Should such officers of the respective Parties fail to resolve the dispute within ten (10) days from such referral, the Parties agree that any such dispute, except for those with respect to which the Commission or FERC is the sole proper venue under applicable law or the provisions of this Agreement, will not be referred to any court but will be referred to binding arbitration in Portland, Maine, and the provisions of this Article 13 shall apply.

 13.2 Arbitration Request; Procedures.

 If any dispute that is eligible for arbitration has not been resolved by the officers of the Parties within ten (10) days from referral to them, either Party may give notice in writing to the other of its desire to submit the dispute to arbitration, and may designate an arbitrator. Within fifteen (15) days after the receipt of such notice, the other Party may, in writing, serve upon the Party invoking such arbitration, a notice designating an arbitrator on its behalf. The two arbitrators so chosen shall within fifteen (15) days after the appointment of the second arbitrator, in writing, designate a third arbitrator. Upon the failure of the Party notified to appoint the second arbitrator within such time, the Party invoking such arbitration may proceed with the single arbitrator. If the first and second arbitrators are unable to agree on a third arbitrator within fifteen (15) days of the appointment of the second arbitrator, the first and second arbitrator shall invoke the services of the American Arbitration Association to appoint a third arbitrator. Said third arbitrator shall, to the extent practicable, have special competence and experience with respect to the subject matter under consideration. An arbitrator so appointed shall have full authority to act pursuant to this Section 13.2. No arbitrator, whether chosen by a Party hereto or appointed, shall have the power to amend or add to this Agreement. The Party calling the arbitration shall, within twenty (20) days after either the failure of the other Party to name an arbitrator, or the appointment of the third arbitrator, as the case may be, fix, in writing, a time and a place of hearing (which shall be in Portland, Maine), to be not less than twenty (20) days from delivery of notice to the other Party. The arbitrator or arbitrators shall, thereupon, proceed promptly to hear and determine the controversy pursuant to the then current rules of the American Arbitration Association for the conduct of commercial arbitration proceedings, except that if such rules shall conflict with the then current provisions of the laws of the State of Maine relating to arbitration, such conflict shall be governed by the then current provisions of the laws of the State of Maine relating to arbitration. Such arbitrator or arbitrators shall fix a time within which the matter shall be submitted to him or them by either or both of the parties, and shall make his or their decision, within ten (10) days after the final submission to him or them unless, for good reasons to be certified by him or them in writing, he or they shall extend such time. The decision of the single arbitrator, or two of the three arbitrators, shall be taken as the arbitration decision. Such decision shall be made in writing and in duplicate, and one copy shall be delivered to each of the parties. The arbitrator or arbitrators by his or their award shall determine the manner in which the expense of the arbitration shall be borne, except that each Party shall pay the costs of its own counsel. Each Party shall accept and abide by the decision. The award of the arbitral tribunal shall be final except as otherwise provided by applicable law. Judgment upon such award may be entered by the prevailing Party in any court designated in Section 14.13, or application may be made by such Party to any such court for judicial acceptance of such award and an order of enforcement.

 13.3 Binding Award.

 This agreement to arbitrate and any award made hereunder shall be binding upon the successors and assigns and any trustee or receiver of each Party.

 13.4 Continued Performance.

 No dispute shall interfere with the Parties' continued fulfillment of their obligations under this Agreement pending the decision of the Arbitrator.

ARTICLE 14

MISCELLANEOUS PROVISIONS

 14.1 Assignment.

 (a) No assignment by either Party (or any successor or assignee thereof) of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned or delayed. Any assignments by either Party shall be in such form as to assure that such Party's obligations under this Agreement will be honored fully and timely by any succeeding party.

 (b) Notwithstanding Section 14.1(a), either Party may assign this Agreement without the prior written consent of the other Party as collateral security to any lenders or financial institutions in connection with any financing by the assigning Party and the non-assigning Party shall execute and deliver a consent to collateral assignment, estoppel certificates and opinions as may be reasonably requested by the lenders or financial institutions. Any reassignment of this Agreement by such lenders or financial institutions shall be subject to the assignee meeting all the requirements of the Assigning Party under this Agreement. T&D shall execute and deliver estoppel certificates and opinions as may be reasonably requested by financial institutions in connection with tax equity transactions in respect of the Facility. Seller shall be responsible for all reasonable costs of such requests.

 (c) Notwithstanding Section 14.1(a), T&D may assign this Agreement without the prior written consent of the Seller in connection with (i) any restructuring, disaggregation, or divestiture involving the separation of any of the generation, transmission or distribution functions of T&D into separate entities or the divestiture of all or a major portion of the assets of T&D which serve any one of such functions, provided that the assignee of this Agreement must be capable of performing T&D’s obligations under this Agreement; (ii) any acquisition, consolidation, merger or other form of combination of T&D by or with any person or entity; (iii) the purchase, lease or other acquisition (in one or a series of transactions) of all or substantially all of the assets of any other person or entity; (iv) the conveyance, sale, lease, transfer or other disposition (in one or a series of transactions) of all or substantially all of the assets of T&D; or (v) as collateral security to any lenders or financing party in connection with any financing by T&D.

 14.2 Notices.

 All notices, requests and other communications hereunder (herein collectively a "notice" or "notices")"), other than invoices, shall be deemed to have been duly delivered, given or made to or upon any Party hereto if in writing and delivered by hand or by certified or registered mail, postage pre-paid, return receipt requested, or to a courier who guarantees next Business Day delivery to such Party at its address set forth below or to such other address as such Party may at any time, or from time to time, direct by notice given in accordance with this Section 14.2.

 **IF TO T&D:**

 **IF TO THE SELLER:**

 14.3 Compliance With Laws.

 At all times during the term of this Agreement, the Parties shall comply with all laws, rules, requisitions, and codes of all governmental authorities having jurisdiction over each of their respective businesses which are now applicable, or may be applicable hereafter, including without limitation, all special laws, policies, ordinances, or regulations now in force, as amended or hereafter enacted, which the failure to comply with will result in a material adverse effect on the other Party. The Parties hereto shall maintain all licenses, permits and other consents from all governmental authorities having jurisdiction for the necessary use and operation of their respective business, which the failure to maintain will result in a material adverse effect on the other Party. Nothing herein shall be deemed a waiver of the Parties' right to challenge the validity of any such law, rule or regulation.

 14.4 Obligation of Good Faith.

 Each Party enters into this Agreement agreeing to cooperate in good faith with the other Party and to take all practicable actions and devote the resources reasonably necessary to achieve the objectives of this Agreement.

 14.5 Fees and Expenses.

 Except as otherwise provided herein, each of the Seller and T&D shall pay all fees and expenses incurred by, or on behalf of, such Party in connection with, or in anticipation of, entering into this Agreement.

 14.6 Headings.

 The headings to articles and sections throughout this Agreement are intended solely to facilitate reading and references to all articles, sections and provisions of this Agreement. Such headings shall not affect the meaning or interpretation of this Agreement.

 14.7 Entire Agreement; Successors and Assigns.

 This Agreement constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

 14.8 Severability.

 The invalidity or unenforceability of any provisions of this Agreement shall not affect the other provisions hereof. If any provision of this Agreement is held to be invalid, such provision shall not be severed from this Agreement; instead, the scope of the rights and duties created thereby shall be reduced by the smallest extent necessary to conform such provision to the applicable law, preserving to the greatest extent the intent of the Parties to create such rights and duties as set out herein. If necessary to preserve the intent of the Parties hereto, the Parties shall negotiate in good faith to amend this Agreement, adopting a substitute provision for the one deemed invalid or unenforceable that is legally binding and enforceable.

 14.9 Further Assurances.

 In connection with this Agreement and the transactions contemplated hereby, each Party shall execute and deliver any additional documents and instruments and perform any additional acts that may be reasonably necessary or appropriate to effectuate and perform the provisions of this Agreement and such transactions and the intention of the Parties hereto.

 14.10 Changes in Law.

 If and to the extent that during the Term, any laws or regulations shall change which govern any transaction contemplated herein or business operations so as to make either unlawful or impossible to perform, then T&D and the Seller hereby agree to effect such modifications to this Agreement as shall be reasonably necessary for the Agreement to accommodate any such legal or regulatory changes and to preserve, as closely as possible, the basic intent and substance of this Agreement and the economic benefits and burdens allocated to each Party under this Agreement. In the event the Parties are unable to agree to such amendments, the matter shall be submitted to binding arbitration pursuant to Article 13 of this Agreement.

 14.11 Changes in ISO-NE [NMISA] Rules.

 If, after the execution of this Agreement, any right or obligation of a Party under this Agreement is materially altered as the result of any revision to ISO-NE [NMISA] Rules, the Parties agree to negotiate in good faith in an attempt to amend this Agreement to conform to the revised ISO-NE [NMISA] Rules. The intent of the Parties is that any such amendment will preserve, as closely as possible, the basic intent and substance of this Agreement and the economic benefits and burdens allocated to each Party under this Agreement. In the event the Parties are unable to agree to such amendments, the matter shall be submitted to binding arbitration pursuant to Article 13 of this Agreement.

 14.12 Counterparts.

 This Agreement may be executed simultaneously in two or more counterparts, any of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same Agreement. Signatures delivered by facsimile, pdf or other electronic means shall be deemed original signatures.

 14.13 Interpretation.

 In the event of any dispute concerning the construction or interpretation of this Agreement or any ambiguity hereof, there shall be no presumption that this Agreement or any provision hereof be construed against the Party who drafted this Agreement.

 14.14 Applicable Law and Forum.

 When not in conflict with federal laws, interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by the laws of the State of Maine, except its conflict of laws provisions to the extent they would require the application of the laws of any other jurisdiction. Except for those matters covered in this Agreement and jurisdictional to FERC or the appellate courts having jurisdiction over FERC matters, any legal action or proceeding arising under or relating to this Agreement must, if it is not subject to arbitration hereunder, be brought in a court of the State of Maine or a federal court of the United States of America located in the State of Maine. For example, any action to enforce an arbitration demand or to confirm or enforce an arbitration award shall be brought in such courts. Both Parties hereby consent to the exclusive jurisdiction of the State of Maine for the purpose of hearing and determining any action not preempted by federal law.

 14.15 Several Obligations.

 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability or agency relationship on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

 14.16 Continuing Obligations.

 Notwithstanding any assignments of rights or duties hereunder, neither Party shall be relieved of any duties or responsibilities under this Agreement and this Agreement shall continue in accordance with its terms and such Party shall be and remain liable to the other under all provisions of this Agreement unless the other Party has expressly consented in writing to such release of duties and responsibilities, such consent not to be unreasonably withheld. Further, any payments made by one Party to an assignee of the other Party or any other actions taken by such Party with respect to such assignee shall be in full satisfaction of any duties or responsibilities which the Party would otherwise owe to the other Party, as if made or taken directly to such other Party.

 14.17 Changes In Rates, Charges, Terms or Conditions.

 The rates, charges, terms and conditions contained in this Agreement are not subject to change under Sections 205 or 206 of the Federal Power Act, as either section may be amended or superseded, absent the mutual written agreement of the Parties. It is the intent of this Section that, to the maximum extent permitted by law, the rates, charges, terms and conditions of this Agreement shall not be subject to change. Each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Sections 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section 14.17 shall not apply, provided that, consistent with Section 14.18, neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in Section 14.18.

 14.18 Regulatory Acknowledgement and Agreements.

 Absent the agreement of both Parties to the proposed change, the Parties acknowledge and agree that, to the extent this Agreement is or may be subject to review pursuant to the Federal Power Act, the standard of review for any change or modification to the pricing provisions of this Agreement or any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in Section 14.16 is unenforceable or ineffective as to such Party) or by any person who is not a Party hereto or FERC acting *sua sponte* shall be the “public interest” application of the “just and reasonable” standard of review set forth in United Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish 554 U.S. 527 (2008) (the “Mobile-Sierra” doctrine). To the extent the “public interest” standard cannot be applied to a non-party to this Agreement, then the most stringent standard shall be applicable. Each Party agrees that if it seeks to amend any applicable power sales tariff during the Term, such amendment will not in any way materially and adversely affect this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement.

14.19. Survival.

The Parties' rights and obligations under Article 8, Article 10, Article 12, Article 13, and Sections 14.4, 14.14 and 14.18 of Article 14 shall survive expiration or termination of this Agreement for any reason.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have caused this Agreement to be duly executed by their respective duly authorized officers as of the date and year first above written.

 [TRANSMISSION AND DISTRIBUTION UTILITY]

 By:

 [SELLER]

 By:

ATTACHMENT A \_\_

**OFFICER’S CERTIFICATE**

**OF**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 I [officer’s name] am [title] of [T&D or Seller], a [state of incorporation] corporation (“\_\_\_\_\_\_\_\_\_\_\_\_”), and as such am authorized to execute and deliver this certificate on behalf of [T&D or Seller] in connection with the Agreement, dated as of [insert date]\_between [T&D] and [Seller]. All capitalized terms used herein and not defined shall have the meanings set forth in the Agreement.

I do hereby certify as follows:

1. The representations and warranties of [T&D or Seller] contained in the Agreement are true and correct as of the date hereof.
2. Each of the conditions to the obligations of [T&D or Seller] under Section 2.1 of the Agreement have been either satisfied or waived by [T&D or Seller] on and as of the date hereof.
3. The Effective Date of the Agreement shall be [insert date].

 IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_, 20\_\_\_.

 Its:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ATTACHMENT B

**INTERCONNECTION AGREEMENT**

ATTACHMENT C

**REQUIRED IN-STATE BENEFITS**

**[Provide a proposed Required In-State Benefits calculation]**