

**EXH. BDM-3C
DOCKET UE-24____
2023 PCA COMPLIANCE FILING
WITNESS: BRENNAN D. MUELLER**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Petition of
PUGET SOUND ENERGY
For Approval of its 2023 Power Cost
Adjustment Mechanism Report**

Docket UE-24____

**SECOND EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

BRENNAN D. MUELLER

ON BEHALF OF PUGET SOUND ENERGY

**SHADED INFORMATION IS DESIGNATED AS
CONFIDENTIAL PER WAC 480-07-160**

**REDACTED
VERSION**

APRIL 30, 2024

**EXH. PAH-1CT
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: PHILIP A. HAINES**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF

PHILIP A. HAINES

ON BEHALF OF PUGET SOUND ENERGY

REDACTED VERSION

FEBRUARY 15, 2024

PUGET SOUND ENERGY
PREFILED DIRECT TESTIMONY (CONFIDENTIAL) OF
PHILIP A. HAINES
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PUGET SOUND ENERGY

**PREFILED DIRECT TESTIMONY (CONFIDENTIAL) OF
PHILIP A. HAINES**

LIST OF EXHIBITS

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| Exh. PAH-2 | Professional Qualifications of Philip A. Haines |
| Exh. PAH-3 | PSE Energy Risk Policy |
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| Exh. PAH-5C | Western Resource Adequacy Program: Cost Benefit Analysis of Participation in WRAP |
| Exh. PAH-6C | Presentation to EMC to approve recommendation to join WRAP |
| Exh. PAH-7C | Presentation to PSE Board of Directors to approve recommendation to join WRAP |
| Exh. PAH-8C | Energy Supply Merchant New Resource Presentations to the EMC |
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| Exh. PAH-12C | Chelan Slice 38 Agreement |
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Q. What is PSE’s understanding of the Commission’s prudence standard?

A. For an in-depth explanation of PSE’s understanding of the Commission’s prudence standard, please see the Prefiled Direct Testimony of Zacarias C. Yanez, Exh. ZCY-1CT.

2. HF Sinclair PSR Cogen Agreement

(i) Background and Key Terms of the HF Sinclair PSR Cogen Agreement

Q. Did PSE’s decision to enter into the HF Sinclair PSR Cogen Agreement meet the Commission’s prudence standard?

A. Yes. As Described in the Prefiled Direct Testimony of Joshua J. Jacobs, Exh. JJJ-1T, PSE has a clear, documented need for capacity and clean energy resources to meet CETA⁹ interim targets. PSE also performed the competitive market analyses, decision-making and documentation processes expected by the Commission, as summarized in this testimony.

Q. Please describe the HF Sinclair PSR Cogen project.

A. A full description of the HF Sinclair project can be found in Exh. PAH-9. In summary, the PSR Cogen project, owned and operated by HF Sinclair Puget

⁹ Chapter 19.405 RCW.

1 Sound Refining LLC and located in PSE service territory near Arlington
2 Washington, is comprised of three GE Frame six gas turbines with a combined
3 capacity of 120 MW plus a 20 MW steam turbine with a total combined name
4 plate of 140 MW. The PSR Cogen project is a qualifying facility under the Public
5 Utility Regulatory Policies Act of 1978 (“PURPA”) and provides both energy and
6 heat to generate steam for the Puget Sound Refinery (“PSR”) which is a PSE
7 schedule 449 customer.

8 **Q. Please describe the key terms of the HF Sinclair PSR Cogen Agreement.**

9 A. HF Sinclair marketed the PSR Cogen Project Agreement through a competitive
10 RFP process and originally solicited offers for the net output of the PSR Cogen
11 project for a two year term commencing [REDACTED]. Negotiations between PSE
12 and HF Sinclair resulted in PSE securing a [REDACTED] contract with a term that
13 began [REDACTED]. The HF Sinclair
14 PSR Cogen Agreement allows PSE to act as HF Sinclair scheduling entity. As the
15 Scheduling entity PSE will schedule the gross output of the PSR Cogen project.
16 The gross output will be scheduled first to meet PSR load obligations, about 40
17 MW on average. The net output of the PSR Cogen project, is forecasted at
18 approximately (i) [REDACTED] MW of WRAP qualified capacity, and (ii) [REDACTED] GWh of
19 energy per year, will be purchased by PSE.

20 PSE offered a [REDACTED] bid and, at the seller’s request, negotiated a price of
21 [REDACTED] per MWh for the [REDACTED] of energy

1 from the PSR Cogen project and a [REDACTED] rate price of
2 \$ [REDACTED]/KW-month of the average of monthly on-peak generation time.

3 (ii) **Need for the HF Sinclair PSR Cogen Agreement**

4 **Q. Please describe the need for the HF Sinclair PSR Cogen Agreement.**

5 A. As described on page two of Exh. PAH-10C, PSE forecasted a short-term
6 capacity deficit of up to [REDACTED] MW during the contract term. The HF Sinclair
7 Agreement will contribute approximately [REDACTED] MW of capacity towards PSE's PSE
8 capacity position during the contract term.

9 **Q. What would have been the risk if PSE had chosen not to enter into the HF**
10 **Sinclair PSR Cogen Agreement?**

11 A. PSE could have missed an opportunity to secure approximately [REDACTED] MW of
12 baseload capacity at a time when market participants are increasingly competing
13 for limited operating resources. Absent PSE securing this resource PSE would
14 need to acquire similar energy and capacity benefits through other market
15 alternatives that may or may not have materialized. Finally, had PSE not secured
16 this resource, the output of the plant would have been purchased by a third party,
17 and the power would have likely been exported from PSE's system for the benefit
18 of other market participants.

19 (iii) **Comparison of the HF Sinclair PSR Cogen Agreement**
20 **to Alternatives**

1 Q. What alternatives did PSE consider in its analysis of the HF Sinclair PSR
2 Cogen Agreement?

3 A. HF Sinclair marketed the PSR Cogen project through a competitive auction that
4 closed in March 2023. PSE compared the PSR Cogen to a proxy short-term
5 market purchase alternative that includes the [REDACTED], and [REDACTED] components
6 identified in this product.

7 Q. Describe PSE’s comparison of the HF Sinclair PSR Cogen Agreement to
8 other alternatives.

9 A. As described above, PSE compared the value streams, or components, of the HFS
10 PSR Cogen Agreement based on estimates of market equivalents. For this specific
11 product PSE focused on the following individual value components of the
12 product:

- 13 • Energy – This represents the value of [REDACTED]
- 14 [REDACTED]
- 15 [REDACTED]
- 16 • [REDACTED]
- 17 [REDACTED]
- 18 [REDACTED]
- 19 [REDACTED]

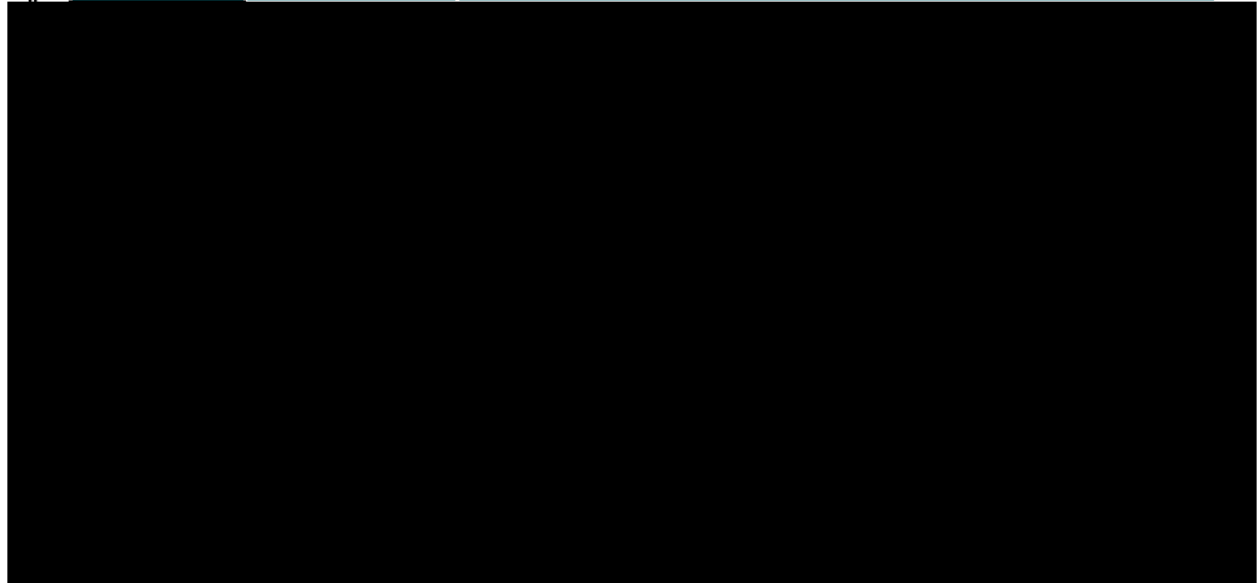
20 Q. Please summarize the value PSE estimated for the PSR Cogeneration
21 Agreement.

22 A. Using the methodology described above, PSE estimated the value of the PSR
23 Cogen Agreement at \$ [REDACTED] per year. Table 2 below summarizes range of
24 values, by component, at the time of evaluation.

1

Table 2: Components of PSR Cogen Valuation

| Value stream | Original Bid | Basis |
|--------------|--------------|-------|
|--------------|--------------|-------|



3

Q. Please describe the key assumptions PSE used in its analysis of the HF Sinclair PSR Cogen Agreement.

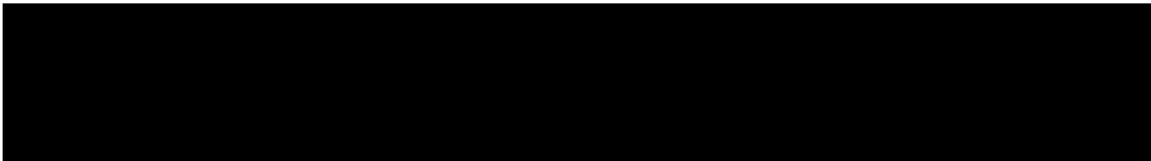
4

5

A. Key inputs used by PSE in the analysis include: (i) [REDACTED]

6

7



8

Q. Please describe the forecast of [REDACTED] assumed by PSE for analysis of the HF Sinclair PSR Cogen Agreement.

9

10

A. PSE used the [REDACTED] published on February 7, 2023. PSE shaped the power price forecast over the [REDACTED]-month forecast output of the PSR Cogen Agreement to estimate the value of the energy displaced by the

12

1 contract. Since the energy price forecast [REDACTED]

2 [REDACTED], PSE adjusted the prices by \$ [REDACTED]

3 [REDACTED].

4 Additionally, PSE subtracted the estimated cost of transmission wheel off PSE's
5 system, since PSE would expect a third-party bidder to adjust its bid to reflect this
6 cost. [REDACTED], resulting in PSE not needing to
7 update the power price forecast prior to finalizing the contract.

8 **Q. Please describe PSE estimate for avoided capacity value.**

9 A. This resource was being evaluated in February 2023, which was only a few
10 months removed from the results of the 2022 GCPUD annual auction. The results
11 of the 2022 GCPUD annual auction are support using the Market [REDACTED]
12 Average value of [REDACTED] KW-year¹⁰ as the proxy [REDACTED] value.

13 **Q. Please describe how PSE considered [REDACTED] in its evaluation of the HF
14 Sinclair PSR Cogen project.**

15 A. As a combined heat and power resource, the PSR Cogen project is a qualifying
16 facility under PURPA. The demand for heat to produce steam and power for the
17 refinery mean that the project will be generating power, and producing emissions,
18 even if PSE were not to purchase the output. As such, the HF Sinclair PSR Cogen
19 project carries all the [REDACTED] associated with the dispatch of the plant.

¹⁰ See Table 1.2.

1 PSE did not assess a [REDACTED] to the output of the project as it is only a [REDACTED]
2 month term, not a mid- or long-term contract per RCW 80.80.010. PSE's
3 purchase of the HF Sinclair PSR Cogen's output will not result in incremental
4 [REDACTED]

5 **Q. Please describe the contract price and the projected annual costs of the HF**
6 **Sinclair PSR Cogen Agreement.**

7 A. Based on estimates at the time of evaluation, PSE expects an annual cost of
8 \$ [REDACTED]. However, the actual costs will be based on actual net energy
9 output time the Day Ahead index price [REDACTED] per MWh and the actual net
10 capacity output times the capacity price, \$ [REDACTED]/KW-month.

11 **Q. Please describe the benefits of the HF Sinclair PSR Cogen Agreement.**

12 A. The HF Sinclair PSR Cogen project provides three key benefits to PSE. As
13 previously noted, it is expected to provide about [REDACTED] MW of capacity and [REDACTED]
14 GWh of energy per year. As a qualifying facility under PURPA the net output of
15 the plant also reduces PSE retail load calculation for the purposes of calculating
16 CETA energy targets.

17 PSE faces significant capacity needs during the term of this contract. As presented
18 to the EMC in 2023, PSE has a resource adequacy need of [REDACTED] MW for the 2024-
19 2025 winter period. This contract is expected to reduce that need by up to [REDACTED]
20 MW.

1 In addition to PSE’s capacity need, there is also a need for resources to help fill
 2 the interim CETA goal of 63 percent of retail load by 2025.¹¹ As shown in Table
 3 3 below, as a PURPA resource, the net output of the project reduces PSE need for
 4 CETA resources by [REDACTED] GWh in 2025. This will help PSE achieve its 2025
 5 interim goal. Based on broker quotes at the time of evaluation, an equivalent
 6 amount of [REDACTED] would cost about \$ [REDACTED] million. It is important to note that while
 7 PSE estimates \$ [REDACTED] in savings, it did not include this value in the pricing
 8 evaluation.

Table 3: 2025 CETA Needs Analysis Based on the Electric Progress Report

| CETA Benefit | Current Position | Current Position + PSR Cogen |
|-------------------------|------------------|------------------------------|
| CETA interim target | 63% | 63% |
| Adjusted load (23 EPR) | 20,764,848 | 20,764,848 |
| CETA load adjustments* | [REDACTED] | |
| PSR Cogen (New PURPA) | | |
| CETA Retail Load | | |
| CETA Interim target MWh | | |
| Existing CETA resources | | |
| CETA surplus/(deficit) | | |
| | | |

¹¹ CETA need presented to the EMC is based on the interim target published in the 2021 CEIP. In June 2023 the Commission approved PSE’s 2021 CEIP with conditions in Docket UE-210795. On November 11, 2023, PSE filed an updated CEIP that proposes a modified interim target of a four-year average (2022 – 2025), of 54.5 percent of retail load being served by CETA eligible resources. This results in an interim annual goal of 60 percent in 2025.

1 **Q. Did PSE’s Energy Management Committee approve the HF Sinclair PSR**
2 **Cogen Agreement?**

3 A. Yes. PSE’s EMC approved the HF Sinclair PSR Cogen Agreement on February
4 24, 2023. Please see page seven of Exh. PAH-8C for the presentation to the EMC
5 for the HF Sinclair Agreement. See Exh. PAH-10C for internal memoranda
6 supporting the decision to enter into the HF Sinclair PSR Cogen Agreement and
7 see Exh. PAH-11C for a copy of the HF Sinclair PSR Cogen Agreement itself.

8 **Q. Was the decision to enter into the PSR Cogen Agreement prudent?**

9 A. Yes. PSE developed a price using a methodology consistent with its methodology
10 for evaluating similar resource opportunities.¹² As part of this methodology PSE
11 compared the resource to alternatives using the best available market information.
12 The contemporaneous documentation provided in this testimony and exhibits
13 demonstrates that PSE met the Commission’s prudence standard. The PSR Cogen
14 Agreement will provided an additional baseload resource and the associated
15 energy and capacity benefits. Additionally, as a PURPA qualifying combined heat
16 and power cogeneration facility, the energy output of the project will contribute to
17 PSE meeting its interim CETA energy targets.

18 **3. Chelan Slice 38 Agreement**

19 **(i) Background and Key Terms of the Chelan Slice 38**
20 **Agreement.**

¹² See Dockets UE-220066, *et al.* See also Exh. ZCY-1CT in that consolidated proceeding.

**EXH. PAH-8C
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: PHILIP A. HAINES**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

**SEVENTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

PHILIP A. HAINES

ON BEHALF OF PUGET SOUND ENERGY

REDACTED VERSION

FEBRUARY 15, 2024

HF Sinclair Puget Sound Refinery & Cogeneration RFP Bid Proposal

February 24, 2023



EMC Decisional

Zac Yanez
Consulting Energy Trader
Energy Supply Merchant

Recommendation: Submit bid to participate in HF Sinclair Puget Sound Refinery (“PSR”) and Cogeneration RFP to acquire a net of [REDACTED] MW and [REDACTED] GWh from project

Recommendation:

Submit a bid to acquire the output of the PSR Cogeneration project (“Cogen Project”). The Cogen Project consists of three GE Frame 6 gas turbines and an additional 20 MW steam turbine for a total capacity of 140 MW. The RFP includes an obligation to provide load service for the PSR from the Cogen Project. The net generation results in an average of [REDACTED] MW of capacity during winter and summer peak months and about [REDACTED] GWh of energy per year.

- Term: [REDACTED]
- Product: Net generation [REDACTED] and ~ [REDACTED] GWh of [REDACTED]
- Indicative Total Bid Price [REDACTED] \$ [REDACTED] * [REDACTED] over [REDACTED])

[REDACTED]



PSR Cogen Project background and key terms

- PSR Cogen Project, owned by HF Sinclair, generates as a baseload resource between 105-110 MW and produces steam, heat, and electricity for the PSR which consumes ~40 MW around the clock
- PSR is a 449 transmission customer, PSE has previous experience being an off-taker of PSR Cogen Project
- On Feb 6th HF Sinclair issued an RFP for a new off-taker of the net generation
 - Summary of Key Terms and assumptions
 - Term: Requested [REDACTED]
 - Product: estimate about [REDACTED] MW and [REDACTED] GWh
 - PURPA facility, should reduce PSE's net load effectively [REDACTED]
 - [REDACTED]

Net generation valued at \$ [REDACTED] (\$ [REDACTED]), reflects [REDACTED] pricing.

- Based on current estimate of [REDACTED], PSE is [REDACTED] and [REDACTED] MW [REDACTED]. This assumes PSE can execute all known market opportunities.

- Update of EMC approved a valuation strategy:

[REDACTED]

| Capacity value of recent market comps | \$/kW-Year | \$/MWh |
|---------------------------------------|------------|--------|
|---------------------------------------|------------|--------|

[REDACTED]

[REDACTED] maintains upside value and remains competitive based on historic premiums

- PSE will offer a [REDACTED]
- Should market prices fall relative to [REDACTED], PSE will be [REDACTED]
- Lacima used to simulate [REDACTED] prices based on forward price curve
 - At [REDACTED] prices value would be \$ [REDACTED]
 - At [REDACTED] prices value would be \$ [REDACTED]
 - Does not reflect upside value should [REDACTED]
- Capacity value of \$ [REDACTED] across market price scenarios, [REDACTED]

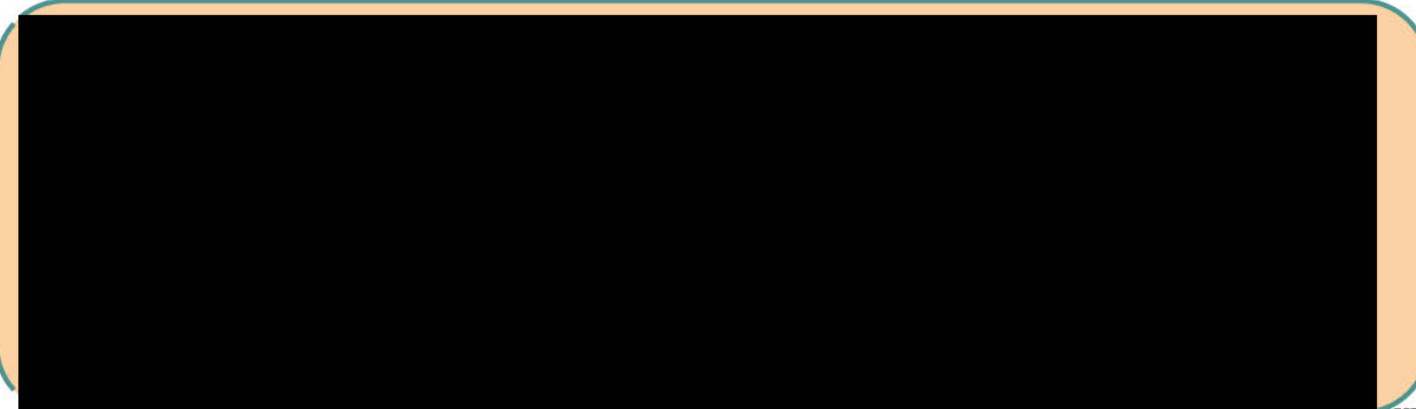
Dollars at risk if prices fall



Other Considerations: PSR Cogen provides base-load capacity and reduces CETA need, PSR owner carries CCA obligation

Benefits

- Incremental [REDACTED] months
- PURPA resources reduce CETA need [REDACTED] GWhs in 2023, 2024, and 2025 respectively)
 - [REDACTED]
- On system resource, does not use MIDC or other transmission paths to PSE



Next Steps: ESM will prepare to submit a bid pending EMC approval

Feb 16 – Feb 23 – Edit and review deal confirmation and master agreement

- Finalize work with front office teams, ERC, EDA, and legal to ensure contract meets PSE commercial requirements before final bid submittal
 - Review WSPP credit terms
 - [REDACTED]

Feb 24 – Finalize bid package and submit

Mar 3 – Finalist selected

Mar 4-Apr 7 - Execute final contract, if selected as the winning bid

Recommendation: Submit bid to participate in HF Sinclair Puget Sound Refinery (“PSR”) and Cogeneration RFP to acquire a net of [REDACTED] MW and [REDACTED] GWh from project

Recommendation:

Submit a bid to acquire the output of the PSR Cogeneration project (“Cogen Project”). The Cogen Project consists of three GE Frame 6 gas turbines and an additional 20 MW steam turbine for a total capacity of 140 MW. The RFP includes an obligation to provide load service for the PSR from the Cogen Project. The net generation results in an average of [REDACTED] MW of capacity during winter and summer peak months and about [REDACTED] GWh of energy per year.

- [REDACTED]
- Product: Net generation [REDACTED]
- Indicative Total Bid Price not to [REDACTED] (~\$ [REDACTED])



Appendix



Potential new resources reduce winter RA position gap

| Season | W 22-23 | W 23-24 | W 24-25 | W 25-26 | W 26-27 | W 27-28 | W 28-29 | W 29-30 | W 30-31 | W 31-32 |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Potential resources | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Potential position | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

Notes: 1. Potential resources are subject to revisions

2. [REDACTED]



Potential new resources reduce summer RA position gap

| Season | S 23 | S 24 | S 25 | S 26 | S 27 | S 28 | S 29 | S 30 | S 31 | S 32 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|
| Potential hydro deals | | | | | | | | | | |
| Potential resources | | | | | | | | | | |
| Potential position | | | | | | | | | | |

Notes: 1. Potential resources are subject to revisions
2. [REDACTED]



**EXH. PAH-9
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: PHILIP A. HAINES**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

**EIGHTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

PHILIP A. HAINES

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024



REQUEST FOR PROPOSALS

*PUGET SOUND REFINERY AND COGENERATION
PROJECT*

Issued February 6, 2023

Proposals Due February 24, 2023

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APPENDICES

Appendix A – Network Integration Transmission Service Agreement with PSE

Appendix B – HF Sinclair Counterparty Set Up Forms

Appendix C – EEI Master Agreement (also provided in MS Word)

Appendix D – Sample Confirms (also provided in MS Word)

Additional Materials: Microsoft Excel File with hourly Cogen Project and PSR power deliveries.

1. INTRODUCTION

HF Sinclair Puget Sound Refinery LLC (“HF Sinclair”), formerly known as HollyFrontier, owns and operates an oil refinery near Anacortes, WA known as the HF Sinclair Puget Sound Refinery or “PSR”. There is a gas fired cogeneration project at the site that is also owned by HF Sinclair (“Cogen Project”).

HF Sinclair seeks a counterparty (“Counterparty”) to purchase the Cogen Project power output in excess of the electricity supply need of the PSR for a two-year term commencing July 1, 2023. As part of the transaction, the Counterparty will assume the responsibility to schedule and tag the full output of the Cogen Project, with the first amount being tagged to the PSR and the balance being sold to the Counterparty.

2. COGENERATION

The Cogen Project is comprised of three GE Frame 6 gas turbines with a combined capacity of 120 MW plus a 20 MW steam turbine generator for a combined capacity of 140 MW. The Cogen Project runs on a combination of natural gas and gas created as part of the refining process. Excess heat generated by the Cogen Project is also used to generate steam for the PSR.

Due to this relationship between the Cogen Project and the PSR, the Cogen Project normally operates, even in what may appear to be adverse natural gas and power market conditions. HF Sinclair will retain decision-making about whether to run the Cogen Project and at what level of generation. The normal output of the Cogen Project is between 105-110 MW 24 hours each day when all three turbines are available. The output is reduced a commensurate amount when units are out of service.

HF Sinclair will provide the Counterparty with expected operations of the Cogen Facility on a month-ahead, week-ahead, and day-ahead basis. Changes to the day-ahead operation are communicated as-needed on an hour-ahead basis. The day-ahead and hour-ahead projections will be provided consistent with the deadlines to update and change schedules on a day-ahead and hour-ahead basis.

The Cogen Project has an interconnection to Puget Sound Energy (“PSE”) with a NERC ID of PSRC_GEN, an EIM Res ID of TXW_1_UNITS, and a EIM P Node of TXW_1_UNITS-APND. PSE is a participant in the Western Energy Imbalance Market (“Western EIM”) and the Cogen Project is a Non-Participating Generator in the Western EIM. HF Sinclair will ensure that the Cogen Project schedules are submitted to PSE and update in a timely manner.

The hourly Cogen Project Generation for the period November 2021 – December 2022 is provided in the RFP packet as a Microsoft Excel file. The Cogen Project has the following scheduled unit outages:

2024: Cogen Unit 3 out of service May 6-23 (40 MW)

2025: Cogen Unit 2 out of service May 5-22 (40 MW)

3. REFINERY ENERGY NEED

HF Sinclair’s PSR consumes about 40 MW around the clock although energy consumption can vary somewhat and is dependent on the refining process at any given time. The PSR takes service from PSE under their Schedule 449 Tariff which allows HF Sinclair to secure and deliver the wholesale electricity

needed to serve the PSR. Service for the PSR is delivered on PSE's system to the point of delivery identified with NERC ID Sink of EQUILON449.

HF Sinclair's also has a Network Integration Transmission Service Agreement with PSE for 42 MW of transmission service to the PSR (Appendix A). The agreement designates the Rocky Reach Switchyard as the Transmission Point of Receipt, providing access to the Mid-Columbia.

The output of the Cogen Project will be preferentially used to supply the wholesale power to the PSR. Since the PSR's energy needs are much lower than the normal operation of the Cogen Project, the PSR power will almost always be scheduled from the Cogen Project. If the Cogen Project output is insufficient to provide the electricity needs of the PRS, the counterparty will need to procure and deliver the power needed for the duration of the event. Power provided in this situation should be priced according to pricing terms to be proposed by the RFP respondent. In the event that power in addition to the Cogen Project output is needed to supply the PSR, it is critical that the alternative supply be delivered reliably to PSE's system. PSE requires that such deliveries to its Balancing Authority Area be tagged as firm energy on firm transmission. The Cogen Project has a Network Resource Designation in HF Sinclair's Interconnection Agreement with PSE.

The hourly PSR energy schedules for the period November 2021 – December 2022 is included in the RFP packet as a Microsoft Excel file.

4. CONTRACT STRUCTURE

HF Sinclair requires the completion of certain processes to enable contracting. These include the completion of the HF Sinclair Credit Application, the Bank and Trade References, a Tax Information Form, and a W-9 (Appendix B). All forms should be completed and submitted along with all other materials to the proposal recipients as indicated in Section 6: Schedule and Submittal. The Credit Application and Bank and Trade References forms may be submitted in advance to initiate the credit review process, particularly if there is a concern about the credit review.

In addition, HF Sinclair prefers to enter into power purchase/sale agreements under the EEI Master Agreement (Appendix C) and is prepared to put such an agreement in place with the selected counterparty. Respondents to this RFP should indicate whether they have any concerns doing business under the EEI Master Agreement at the time they submit their proposal.

Sample confirms for use in the process are included in Appendix D.

5. ADDITIONAL INFORMATION

Washington State recently enacted the Climate Commitment Act ("CCA") which creates a carbon emissions allowance process for generators in or imported to the state. HF Sinclair will comply with all regulations that apply directly to their facility and their role as the facility operator. RFP respondents should provide information regarding their compliance obligations as the buyer of the Cogen Project output, the supplier of electricity to the PSR. Respondents should indicate if there are strategies that could reduce the cost of compliance for HF Sinclair and how the savings could be captured.

HF Sinclair will provide hourly data to the Counterparty. Hourly data is provided via an automated email normally sent within minutes of the close of the clock hour. This data will include the hourly load data for

the PSR and the generation for the Cogen Project, including the generation levels for each of the Cogen Project units.

The counterparty will be required to manage all scheduling and tagging services required to properly tag the Cogen Project output and the power to the PSR on a 24 hour around the clock basis. HF Sinclair will designate the counterparty as its scheduling agent with PSE. PSE requires that the scheduling agent be registered as a Purchasing-Selling Entity in the NAESB Electric Industry Registry.

6. SCHEDULE AND SUBMITTAL

6.1 SCHEDULE

The RFP milestones are provided in the following table. Any changes to the schedule will be communicated to all interested parties.

| ITEM | DATE | TIME (Pacific) |
|--|-------------------|----------------|
| RFP Issued | February 6, 2023 | |
| Submit Enabling Information (Completed Forms from Appendix B) | February 10, 2023 | 10:00 AM |
| Proposals Due | February 24, 2023 | 3:00 PM |
| Finalist Selected | March 3, 2023 | |
| Complete Contracting | April 7, 2023 | |
| Complete information exchange processes, confirm readiness and commence deliveries | July 1, 2023 | |

6.2 PROPOSAL SUBMISSION

Proposals should include the following materials and information:

- 1) A cover letter or summary describing at a high level the proposal being offered.
- 2) The pricing offered for net purchase amount (the Cogen Project generation in excess of the PSR need). Pricing may be offered in the following categories:
 - a. Index pricing: Pricing based on an established index. Proposals should indicate the precise calculation of the payment amounts including any adjustments for anomalous situations. The description should also address the uncertainty regarding the indexes caused by the CCA implementation.
 - b. Fixed pricing: Set pricing. Prices may be different by month and/or on-peak/off-peak periods.
 - c. Other: Respondents may offer other pricing approaches. They should be described in detail including an explanation of the benefit to HF Sinclair.
 - d. Pricing that will apply in the event that the Cogen Project output is less than the PSR energy need.

- 3) Contract Exceptions. Any proposed modifications to the EEI Master Agreement or the confirms should be provided. These documents are provided in Microsoft Word format and modifications may be submitted as a redline mark up of these electronic documents.
- 4) A detailed implementation plan indicating the work items to be completed and schedule for completion prior to commencement of energy deliveries on July 1, 2023. The implementation plan should clearly indicate the responsibilities of HF Sinclair and counterparty.

Proposals should be submitted via email to the following recipients:

- Constance Chan: Constance.Chan@HFSinclair.com
- Steve Lewis: SLewis@SapereConsulting.com
- Bayunt Ollek: BOllek@SapereConsulting.com
- Audrey Neubauer: ANEubauer@SapereConsulting.com

Confirmation emails will be sent back via “reply all” confirming receipt of the proposals. If a confirmation email is not received, it is the responsibility of the respondent to contact us as soon as possible, but in no event after the proposal deadline, to ensure timely delivery and receipt of the of the proposal by HF Sinclair and Sapere Consulting.

Complete electronic proposals must be delivered prior to the deadline of February 24, 2023 at 3:00 PM Pacific Time.

Following receipt of the proposals, HF Sinclair and Sapere staff will evaluate the proposals and select the winning proposal(s) to enter into final contract negotiations.

HF Sinclair reserves the right to select any or multiple respondents for bilateral negotiations, to shortlist respondents, request additional information, request repricing or modifications of proposals, or to take no action, all at its sole discretion. All materials submitted as part of this RFP shall become the property of HF Sinclair and shall not be returned.

Appendix A

Network Integration Transmission Service Agreement with PSE

**PUGET SOUND ENERGY, INC.
NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT**

between

PUGET SOUND ENERGY, INC.

And

EQUILON ENTERPRISES, LLC; dba SHELL OIL PRODUCTS, US

This NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT (“NITSA”) is dated as of May 1, 2019, by and between PUGET SOUND ENERGY, INC (“PSE”) and **EQUILON ENTERPRISES, LLC; dba SHELL OIL PRODUCTS, US** (“Customer”). PSE and Customer may sometimes be referred to in this Agreement in the singular as a “Party” and in the plural as “Parties.”

RECITALS

WHEREAS, PSE provides Network Integration Transmission Service over its Transmission System under PSE’s Open Access Transmission Tariff, FERC Electric Tariff Volume No. 7 (as it may be amended or replaced from time to time, the “Tariff”); and

WHEREAS, Customer requested Network Integration Transmission Service from PSE pursuant to the Tariff; and

WHEREAS, contemporaneously with entering into this NITSA, the Parties are also entering into a Network Operating Agreement (as it may be amended or replaced from time to time, the “NOA”), a form of which is attached as Exhibit E to this NITSA, addressing, among other things, operational and contractual requirements related to Network Integration Transmission Service over PSE’s Transmission System.

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms used in this NITSA shall have their respective meanings as set forth in the Tariff. For purposes of this NITSA and the Tariff, Customer shall be deemed to be the Transmission Customer as such term is used in the Tariff, and PSE shall be deemed to be the Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

2.1. Terms and Conditions and Incorporation of Tariff. The terms and conditions under which Network Integration Transmission Service is offered and accepted are pursuant to this NITSA and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this NITSA. PSE may change the terms and conditions of the Tariff upon, and only upon,

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Manager, Transmission Policy and Contracts

approval by the Federal Energy Regulatory Commission (the "Commission") pursuant to a filing by PSE.

2.2. Exhibits. The following exhibits to this NITSA are by this reference incorporated herein and made a part hereof: Exhibit A (Specifications for Network Integration Transmission Service); Exhibit B (Notices); Exhibit C (Emergency Contacts); Exhibit D (Forecast of Load); and Exhibit E (Network Operating Agreement). The Parties acknowledge and agree that PSE's Technical Specifications and Operating Protocols and Procedures for Interconnection of Transmission Systems or End-User Loads form part of and are included in the Tariff.

2.3. Completed Application. By receipt of Customer's request for transmission service, PSE has determined that Customer has provided a Completed Application for Network Integration Transmission Service under the Tariff.

2.4. System Impact Study. A System Impact Study is not required for this NITSA.

2.5. NOA. Pursuant to Section 3.5 of the Tariff, the Parties are obligated to execute a NOA to address operational and contractual requirements related to Network Integration Transmission Service over PSE's Transmission System.

2.6. Certification of Customer. Customer certifies that it is, or will be upon commencement of service, an Eligible Customer under the Tariff.

3. Term and Regulatory Filing

3.1. Effective Date and Filing. This NITSA shall be effective as of the later of (a) May 1, 2019, or (b) such other date as may be designated by the Commission when this NITSA is accepted for filing (the "Effective Date").

3.2. Cancellation Rights. If the Commission determines that any part of this NITSA must be changed, PSE shall offer to Customer an amended NITSA reflecting such changes. In the event such amended NITSA is not executed by Customer within fifteen (15) days after the Commission's action, this NITSA (as it may be amended pursuant to this Paragraph 3.2) shall be void and have no further force and effect.

3.3. Termination of Agreement. Except as otherwise provided in Paragraph 3.2, this NITSA shall remain in effect through the fifth anniversary of the Effective Date.

3.4. Rollover Rights. Each Party acknowledges and agrees that it enters into this NITSA subject to a right of first refusal and the five-year requirement of Section 2.2 of the Tariff on the first rollover date for this Agreement.

4. Network Integration Transmission Service

Commencing on the Effective Date, PSE shall provide to Customer, and Customer shall receive from PSE and pay for, Network Integration Transmission Service pursuant to Part III of the Tariff and this Service Agreement, the Attachments hereto, and the Network Operating

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Agreement as they may be amended from time to time. PSE's obligation to provide Network Integration Transmission Service shall be subject to PSE's rights to curtail or interrupt schedules pursuant to the Tariff. Exhibit A to this NITSA lists Customer's designated Network Resources and Network Loads. Section 34 of the Tariff outlines the applicable rates and charges methodology for Network Integration Transmission Service.

5. Other Services

5.1 Ancillary Services that Must be Provided by PSE. Commencing on the Effective Date, PSE shall provide, and Customer shall take and pay for, the following Ancillary Services:

- a. Scheduling System Control and Dispatch Service; and
- b. Reactive Supply and Voltage Control from Generation Sources Service.

The amounts of such services, any exceptions, specific terms and/or conditions associated with such services and the charges for such services are listed in Exhibit A to this NITSA.

5.2 Ancillary Services that May be Provided by PSE. Commencing on the Effective Date, PSE shall offer the following services, and Customer shall either purchase the following services from PSE or make alternative comparable arrangements to satisfy Customer's obligations with respect to such services, when the transmission service is used to serve load within PSE's Control Area:

- a. Regulation and Frequency Response Service;
- b. Energy Imbalance Service (Schedule 4R);
- c. Operating Reserve – Spinning Reserve Service;
- d. Operating Reserve – Supplemental Reserve Service; and
- e. Generation Imbalance Service

The amounts of such services, any exceptions, specific terms and/or conditions associated with such services and the charges for such services are listed in Exhibit A to this NITSA. If Customer elects to provide such services itself or by contracting with a third party, Customer or the third party provider shall meet the applicable Federal Energy Regulatory Commission (FERC), North American Electric Reliability Corporation (NERC), and Western Electricity Coordinating Council (WECC) requirements for such services.

6. Billing and Payment

Billing and payment for all services provided under this NITSA shall be pursuant to Section 7 of the Tariff. Bills sent to Customer shall be sent to:

Attention:

Equilon Enterprises LLC
dba Shell Oil Products US
Shell Puget Sound Refinery
USF-Invoices@shell.com

Attention: Stan Jackson
Phone: 1-877-395-8031
Email: apvendorhelpdesk@shell.com

7. Miscellaneous Provisions

7.1. Interconnection with Other Systems. Nothing contained in this NITSA shall restrict or limit either Party from establishing, altering or terminating interconnection points with any entity not a party to this NITSA or amending or entering into such agreements; provided, that PSE, during the term of this NITSA, shall not amend or terminate the Interconnection Agreement without the prior written approval of Customer.

7.2. Future Changes or Additions. Future changes or additions that increase PSE's Transmission System capability shall not obligate PSE to provide any transmission or other services in addition to those services provided under this NITSA, except by separate Application pursuant to Section 31.2 of the Tariff; provided, however, that this Section 7.2 does not modify PSE's obligation to provide Network Integration Transmission Service for Network Load designated pursuant to Section 31 of the Tariff.

7.3. Waivers. Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this NITSA shall not be considered a waiver with respect to any other default of the same or any other matter.

7.4. Effect of Paragraph Headings. Headings and captions appearing in this NITSA are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this NITSA.

7.5. Assignment. This NITSA shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to (a) successors to all or substantially all of the electric properties and assets of such Party, (b) any successor entity to or lessee of Customer required or permitted to take service under Schedule 449 and Schedule 448.

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Manager, Transmission Policy and Contracts

7.6. Notices. Any notice or request made to or by either Party regarding this NITSA shall be directed to the representative of the other Party as indicated in Exhibit B.

7.7. Notices of an Operating Nature. Any notice or request pertaining to matters of an operating or maintenance nature, or of a routine character pertaining to delivery or receipt of power, shall be given in such manner as the Parties from time to time shall agree upon.

7.8. Inconsistency. In the event of any inconsistency between any of the following documents, the relevant document first listed below shall govern: (i) Schedule 449; (ii) a Service Agreement under Schedule 449; (iii) the Eleventh Supplemental Order Approving and Adopting Settlement Agreement, Subject to Conditions; Dismissing Proceedings; and Granting Other Relief in *Air Liquide America Corporation, et al. v. Puget Sound Energy, Inc.*, Docket Nos. UE-001952 (consolidated) (Apr. 5, 2001); (iv) the Tariff; (v) the NOA; (vi) this NITSA; and (vii) the Interconnection Agreement, dated May1, 2019, between PSE and Customer.

IN WITNESS WHEREOF, the Parties hereto have caused this NITSA to be executed in their respective names by their duly authorized representatives as of the date first noted above.

PUGET SOUND ENERGY, INC.

EQUILON ENTERPRISES, LLC; dba SHELL OIL PRODUCTS, US

By: George Marshall

By: _____

Title: Mangr. TPC

Title: _____

Date signed: 4-16-19

Date signed: _____

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7.6. Notices. Any notice or request made to or by either Party regarding this NITSA shall be directed to the representative of the other Party as indicated in Exhibit B.

7.7. Notices of an Operating Nature. Any notice or request pertaining to matters of an operating or maintenance nature, or of a routine character pertaining to delivery or receipt of power, shall be given in such manner as the Parties from time to time shall agree upon.


7.8. Inconsistency. In the event of any inconsistency between any of the following documents, the relevant document first listed below shall govern: (i) Schedule 449; (ii) a Service Agreement under Schedule 449; (iii) the Eleventh Supplemental Order Approving and Adopting Settlement Agreement, Subject to Conditions; Dismissing Proceedings; and Granting Other Relief in *Air Liquide America Corporation, et al. v. Puget Sound Energy, Inc.*, Docket Nos. UE-001952 (consolidated) (Apr. 5, 2001); (iv) the Tariff; (v) the NOA; (vi) this NITSA; and (vii) the Interconnection Agreement, dated May1, 2019, between PSE and Customer.

IN WITNESS WHEREOF, the Parties hereto have caused this NITSA to be executed in their respective names by their duly authorized representatives as of the date first noted above.

PUGET SOUND ENERGY, INC.

EQUILON ENTERPRISES, LLC; dba SHELL OIL PRODUCTS, US

By: _____

By:  _____

Title: _____

Title: *Jim Shell Puget Sound Refinery* _____

Date signed: _____

Date signed: *5/3/2019* _____

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**EXHIBIT A
SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

1.0 Term of Transaction:

Service Commencement Date: at 0000 hours on May 1, 2019.

Termination Date: at 2400 hours on April 30, 2024.

2.0 Network Resources:

2. NETWORK RESOURCES

(a) **Generation Owned by Customer**

| Resource | Capacity (MW) | Capacity Designated as Network Resource | Control Area |
|----------|---------------|---|--------------|
| None* | | | |

(b) **Power Purchased by Customer**

| Source | Term | Capacity (MW) | Control Area (Delivered From) |
|-----------------------------------|------------------------------------|---------------|-------------------------------|
| Puget Sound Refinery Cogen (PSRC) | May 1, 2019 through April 30, 2024 | 42 MW | PSEI |

(c) **Total Network Resources equals 2(a) + 2(b)**

* Customer may purchase power from additional or alternative sources during the term of the Service Agreement pursuant to Schedule 449.

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3.0 Transmission Point of Receipt

Location: Rocky Reach Switchyard

Voltage: 230 kV

Metering: Existing Interconnection Metering

Network Load: Customer's Total Load 42 MW

Delivering Party: Puget Sound Refinery Cogen (PSRC)

Control Area: PSEA

(a) **Secondary Transmission Point of Receipt**

Location: Any location listed on PSE's OASIS Site.

4.0 CUSTOMER'S Points of Delivery

(1) **Point of Delivery #1:**

Location: Shell's Texaco East Substation
Puget Sound Refinery, Anacortes, Washington

Voltage: 115 kV

Metering: 12.47 kV

NOTE: Voltage shown is nominal voltage at the high side of Customer's Point of Delivery #1. Customer reserves the right to designate additional or alternative distribution points of delivery pursuant to Schedule 449 and upon notice to PSE.

(2) **Point of Delivery #2:**

Location: Shell's Texaco West Substation
Puget Sound Refinery, Anacortes, Washington
8505 South Texas Road
Anacortes, WA 98221

Voltage: 115 kV

Metering: 12.47kV

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NOTE: Voltage shown is nominal voltage at the high side of Customer's Point of Delivery #2. Customer reserves the right to designate additional or alternative distribution points of delivery pursuant to Schedule 449 and upon notice to PSE.

Loss Factors: PSE will compute losses between the PSE's Point(s) of Receipt and Customer's Point(s) of delivery consistent with PSE's Schedule 449 and PSE's FERC Open Access Transmission Tariff (OATT)

5.0 Network Load:

Customer shall provide annual load and resource information. Customer shall use reasonable efforts to provide accurate annual load forecasts and resource information. Annual load and resource information shall be provided to PSE at the address specified below by November 1 of each year, unless otherwise agreed by PSE and Customer. The annual load forecast shall provide values in terms of peak kilowatt demand and shall be monthly values by Customer's Locations.

6.0 Designation of party(ies) subject to reciprocal service obligation:

None

7.0 Names of any Intervening Systems providing Transmission Service

None

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Monthly Demand Charges: Per Schedule 449, as amended from time to time.

8.2 Distribution Charges: Monthly charges shall be as set out in Schedule 449, as amended from time to time.

8.3 System Impact and/or Facility Study Charge(s): System Impact and/or Facilities Study Charges are not required at this time for service under this Service Agreement.

8.4 Ancillary Service Charges:

8.4.1 Ancillary Services that Must be Provided by PSE

a. Scheduling System Control and Dispatch Service

As provided in Schedule 1 of the Tariff, as amended from time to time.

b. Reactive Supply and Voltage Control from Generation Sources Service

As provided in Schedule 2 of the Tariff, as amended from time to time.

8.4.2 Ancillary Services that May be Provided by PSE*

a. Regulation and Frequency Response Service

As provided in Schedule 3 of the Tariff, as amended from time to time. Provided by PSE.

b. Energy Imbalance Service (Schedule 4R)

As provided in Schedule 4 of the Tariff, as amended from time to time. Provided by PSE.

c. Operating Reserve – Spinning Reserve Service

As provided in Schedule 5 of the Tariff, as amended from time to time. Provided by Puget Sound Energy

d. Operating Reserve – Supplemental Reserve Service

As provided in Schedule 6 of the Tariff, as amended from time to time. Provided by Puget Sound Energy

e. Generation Imbalance Service

As provided in Schedule 9 of the Tariff, as amended from time to time. Not applicable.

* Customer reserves the right to designate a different supplier of the ancillary services listed in section 8.4.2 pursuant to Schedule 449 and the OATT during the term of this Service Agreement upon notice to PSE.

**EXHIBIT B
NOTICES**

1. NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice or other communication related to this Service Agreement, other than notices of an operating nature (section 2 below), shall be in writing and shall be deemed to have been received if delivered in person, First Class mail, by telefax or sent by acknowledged delivery.

If to Customer:

Equilon Enterprises LLC
dba Shell Oil Products US
Shell Puget Sound Refinery
150 N Dairy Ashford Rd

Houston, TX 77079
Attention: Stan Jackson
Phone: 832-337-2509
Email: S.Jackson@shell.com

If to PSE:

Puget Sound Energy, Inc.
355 110th Avenue NE, EST-06E
P.O. Box 97034 EST-06E
Bellevue, WA 98009-9734

Attention: George Marshall
Department: Transmission Contracts
Phone: (425) 462-3706
Fax: (425) 456-2688
Email: george.marshall@pse.com

Any notice or other communication related to the Service Agreement, other than notices of an operating nature (See Section 2 below) and of an emergency nature (See Section 3 below), shall be in writing and shall be deemed to have been received if delivered in person or by First Class certified U.S. mail, and by telefax.

If to Customer:

Equilon Enterprises LLC
dba Shell Oil Products US
Shell Puget Sound Refinery
150 N Dairy Ashford Rd

Houston, TX 77079
Attention: Stan Jackson
Phone: 832-337-2509
Email: S.Jackson@shell.com

If to PSE:

Puget Sound Energy, Inc.
355 110th Avenue NE, EST-06E
P.O. Box 97034 EST-06E
Bellevue, WA 98009-9734

Attention: George Marshall
Department: Transmission Contracts
Phone: (425) 462-3706
Fax: (425) 456-2688
Email: george.marshall@pse.com

2. NOTICES OF AN OPERATING NATURE

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Any notice, request, or demand of an operating nature by PSE or Customer shall be made either orally (with follow-up by e-mail of the oral notice) or in writing by telefax or sent by First Class certified U.S. mail.

If to Customer:

Equilon Enterprises LLC
dba Shell Oil Products US
Shell Puget Sound Refinery
8505 South Texas Road
P.O. Box 622
Anacortes, WA 98221-0622

Attention: Nathan Wood
Phone: 360-299-9497
Email: Nathan.Wood2@shell.com

If to PSE:

Puget Sound Energy, Inc.
355 110th Avenue NE, EST-06E
P.O. Box 97034 EST-06E
Bellevue, WA 98009-9734

Attention: Lisa MacKay
Department: Transmission Services
Phone: (425) 462-3964
Fax: (425) 456-2688
Email: lisa.mackay@pse.com

3. EMERGENCY/CURTAILMENT NOTICES

Notices shall be made orally (with follow up email of the oral notice) or in writing by telefax or e-mail. Such notices shall be made as set forth in the Emergency Contact List attached hereto as Exhibit C. PSE and Customer shall update Exhibit C as necessary and verify at least annually.

4. SCHEDULING AGENT

Customer has designated the following Scheduling Agent:*

Shell Energy North America
Attention: Scheduling Desk
Phone: 858-320-1580
Fax: 858-320-1550
Email: chuck.taylor@shell.com

Emergency Contacts

Shell Energy North America
Attention: Scheduling Desk
Phone: 858-320-1580
Fax: 858-320-1550
Email: chuck.taylor@shell.com

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Puget Sound Energy, Inc.
NITSA Original Service Agreement No. 919

Original Sheet No. 12

Business: *Customer reserves the right to designate an alternative Scheduling Agent during the Term of the Service Agreement upon notice to PSE.

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**EXHIBIT C
EMERGENCY CONTACTS**

| | | | |
|---|------------------|--|--|
| Customer: Equilon Enterprises, LLC dba Shell Oil Products US | | | |
| Shift Supervisor (request positive connection) | Shift Supervisor | Phone: 360-293-0898 | |
| Electrical Engineer | Nathan Wood | Phone:360-299-9497 Cell: 360-632-9509 | |
| MeI & Reliability Manager | James Steller | Phone: 360-293-1766 Cell: | |
| Puget Sound Energy | | | |
| Scott Corzine | | 425-418-7043 | |
| Major Customers Direct Line | | 888-539-4773 | |
| OASIS | | 425-462-3964 | |
| Real Time Transmission Desk | PSE Load Office | 425-882-4630 | |
| Scheduling Agent: Shell Energy North America | | | |
| Operations & Real-Time Mgr | Chris Nichol | 509.688.6110 | Chris.Nichol@Shell.com |
| Pre-Scheduling | Chuck Taylor | 858.320.1580 | Chuck.Taylor@Shell.com |
| Day-Ahead Trading | Chuck Gologoski | 509.688.6116 | Charles.Gologoski@Shell.com |
| | Heather Bare | 509.688.6116 | Heather.Bare@Shell.com |
| Real-Time Desk | Chris Nichol | 509.688.6110 | gxrSENAspokanerealttime@shell.com |
| Energy Marketing | Robert Pierce | 509.951.1456 | Robert.Pierce@Shell.com |

ALL ORAL NOTIFICATIONS ARE TO BE IMMEDIATELY FOLLOWED-UP BY E-MAIL MESSAGE TO:

Customer:

Nathan Wood Nathan.Wood2@shell.com
James Steller James.Steller@shell.com

Puget Sound Energy:

Scott Corzine scott.corzine@pse.com
Lisa Mackay lisa.mackay@pse.com
George Marshall george.marshall@pse.com

Scheduling Agent:

Chuck Taylor chuck.taylor@shell.com
Vince Velasquez vince.velasquez@shell.com

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**EXHIBIT D
FORECAST OF LOAD**

| Year | Forecast | POD #1 | POD #2 |
|-------------|-----------------|---------------|---------------|
| [[2019•]] | [[45MW•]] | [[19MW•]] | 26MW |
| [[•]] | [[•]] | [[•]] | |
| [[•]] | [[•]] | [[•]] | |
| [[•]] | [[•]] | [[•]] | |
| [[•]] | [[•]] | [[•]] | |

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EXHIBIT E
NETWORK OPERATING AGREEMENT - 920

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Appendix B

HF Sinclair Counterparty Set Up Forms

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

| | | |
|---|--|---|
| Print or type See Specific Instructions on page 2. | Name (as shown on your income tax return) | |
| | Business name, if different from above | |
| | Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶ | |
| | Address (number, street, and apt. or suite no.) | Requester's name and address (optional) |
| | City, state, and ZIP code | |
| List account number(s) here (optional) | | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

| |
|--------------------------------|
| Social security number |
| or |
| Employer identification number |

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

| | | |
|------------------|----------------------------|--------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Date: _____

Company Name _____
Physical & Mailing Address _____

Phone # () _____ Fax # () _____

Tax Department Contacts:

Name _____ Name _____
Email _____ Email _____
Phone # () _____ Phone # () _____

Name _____ Name _____
Email _____ Email _____
Phone # () _____ Phone # () _____

Tax Information:

Federal ID # _____ State ID # _____
Gasoline Supplier/Distributor Registration # _____
Special Fuel Supplier/Distributor Registration # _____
Environmental/Cleanup Fee Registration # _____

Please Provide:

- Applicable Federal 637 Notification Certificates (with I.R.S. registration number)
- Sale/Use Tax Certification (exemption, resale, etc.)
- Any other tax information that we may need such as if you are registered, but prefer not to be charged certain taxes
- Copy(s) of Motor Fuel Licenses where fuel will be purchased (need license #, where state may not list it on fuel license website)
- Completed Form W-9

HF Sinclair Tax Department Contacts:

Katie Drilling
(214) 871- 3448
Katie.Drilling@hfsinclair.com

Beverly Duncan
(214) 871- 3580
Beverly.Duncan@hfsinclair.com

Leslie Simmons
(214) 871- 3853
Leslie.Simmons@hfsinclair.com

| | |
|------------------|--|
| Company Name | |
| Physical Address | |
| | |
| Mailing Address | |
| | |

| | | | |
|---------|----------|-------|----------|
| Phone # | () | Fax # | () |
|---------|----------|-------|----------|

Principals & Contacts:

| Majority Shareholder | | Chief Financial Officer | |
|----------------------|----------|-------------------------|----------|
| Name | | Name | |
| Email | | Email | |
| Phone # | () | Phone # | () |

| Credit Contact | | Accounts Payable Contact | |
|----------------|----------|--------------------------|----------|
| Name | | Name | |
| Email | | Email | |
| Phone # | () | Phone # | () |

| | |
|--|-------------------------|
| Type of Business: | D-U-N-S® Number: |
| <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Branded <input type="checkbox"/> Unbranded <input type="checkbox"/> Wholesale <input type="checkbox"/> End-User | |

DOE / EIA Classification:

| | | | |
|--|--|--|--|
| <input type="checkbox"/> C - Excl 782C | <input type="checkbox"/> E - Excl Refiners | <input type="checkbox"/> F - Farmers/Utilities | <input type="checkbox"/> I - Industry |
| <input type="checkbox"/> R - Railroad | <input type="checkbox"/> T - Transportation/Commercial/Institutional | <input type="checkbox"/> U - End User | <input type="checkbox"/> W - Wholesale |

Financial Statements are required for open credit consideration.

- For all non-publicly traded companies, please submit the last 2 years of audited financial statements.
- Financial statements will be requested a minimum of once per year to perform ongoing credit reviews.

All information provided will remain confidential and is for the purpose of obtaining credit with HF Sinclair Refining & Marketing LLC, its successors or assignees ("HF Sinclair"). Applicant agrees to reimburse HF Sinclair for all return check charges, attorney's fees, court costs, and other charges if this account should be placed for collection. All invoices not paid within terms are subject to accrued interest on all past due balances at the rate of 18% per year (1.5% per month) or maximum allowed by state law. HF Sinclair reserves the right to furnish payment experiences to credit reporting agencies such as Experian and Dun & Bradstreet. Failure to provide tax exempt certificates will result in taxes being assessed.

Authorized Signature: _____ Date: _____

Printed Name: _____ Title: _____

Please provide at least one bank reference and three trade references to be used for the purposes of establishing credit with HF Sinclair Refining & Marketing LLC.

BANK REFERENCES

- Bank _____
Address _____

Contact _____ Account # _____
Phone # () _____ Fax # () _____

- Bank _____
Address _____

Contact _____ Account # _____
Phone # () _____ Fax # () _____

TRADE REFERENCES

- Company _____
Address _____

Contact _____ Email _____
Phone # () _____ Fax # () _____

- Company _____
Address _____

Contact _____ Email _____
Phone # () _____ Fax # () _____

- Company _____
Address _____

Contact _____ Email _____
Phone # () _____ Fax # () _____

I authorize HF Sinclair Refining & Marketing LLC to contact the references listed above.

By: _____ Date: _____

Name: _____ Title: _____

Appendix C

EEI Master Agreement (also provided in MS Word)

Master Power Purchase & Sale Agreement



MASTER POWER PURCHASE AND SALES AGREEMENT

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MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* (“*Master Agreement*”) is made as of the following date: _____ (“Effective Date”). The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement.” The Parties to this *Master Agreement* are the following:

Name (“_____” or “Party A”)
All Notices:
Street: _____
City: _____ Zip: _____
Attn: Contract Administration
Phone: _____
Facsimile: _____
Duns: _____
Federal Tax ID Number: _____

Invoices:
Attn: _____
Phone: _____
Facsimile: _____

Scheduling:
Attn: _____
Phone: _____
Facsimile: _____

Payments:
Attn: _____
Phone: _____
Facsimile: _____

Wire Transfer:
BNK: _____
ABA: _____
ACCT: _____

Credit and Collections:
Attn: _____
Phone: _____
Facsimile: _____

With additional Notices of an Event of Default or Potential Event of Default to:
Attn: _____
Phone: _____
Facsimile: _____

Name (“Counterparty” or “Party B”)
All Notices:
Street: _____
City: _____ Zip: _____
Attn: Contract Administration
Phone: _____
Facsimile: _____
Duns: _____
Federal Tax ID Number: _____

Invoices:
Attn: _____
Phone: _____
Facsimile: _____

Scheduling:
Attn: _____
Phone: _____
Facsimile: _____

Payments:
Attn: _____
Phone: _____
Facsimile: _____

Wire Transfer:
BNK: _____
ABA: _____
ACCT: _____

Credit and Collections:
Attn: _____
Phone: _____
Facsimile: _____

With additional Notices of an Event of Default or Potential Event of Default to:
Attn: _____
Phone: _____
Facsimile: _____

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff _____ Dated _____ Docket Number _____

Party B Tariff Tariff _____ Dated _____ Docket Number _____

Article Two

Transaction Terms and Conditions Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies Cross Default for Party A:
 Party A: _____ Cross Default Amount \$ _____
 Other Entity: _____ Cross Default Amount \$ _____
 Cross Default for Party B:
 Party B: _____ Cross Default Amount \$ _____
 Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

- Option A (Applicable if no other selection is made.)
 - Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____
 - Option C (No Setoff)
-

Article 8

Credit and Collateral Requirements

8.1 Party A Credit Protection:

(a) Financial Information:

- Option A
- Option B Specify: _____
- Option C Specify: _____

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

If applicable, complete the following:

Party B Collateral Threshold: \$ _____; provided, however, that Party B's Collateral Threshold shall be zero if an Event of Default or Potential Event of Default with respect to Party B has occurred and is continuing.

Party B Independent Amount: \$ _____

Party B Rounding Amount: \$ _____

(d) Downgrade Event:

- Not Applicable
- Applicable

If applicable, complete the following:

- It shall be a Downgrade Event for Party B if Party B's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party B is not rated by either S&P or Moody's
- Other:
Specify: _____

(e) Guarantor for Party B: _____

Guarantee Amount: _____

8.2 Party B Credit Protection:

(a) Financial Information:

- Option A
- Option B Specify: _____
- Option C Specify: _____

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

If applicable, complete the following:

Party A Collateral Threshold: \$ _____; provided, however, that Party A's Collateral Threshold shall be zero if an Event of Default or Potential Event of Default with respect to Party A has occurred and is continuing.

Party A Independent Amount: \$ _____

Party A Rounding Amount: \$ _____

(d) Downgrade Event:

- Not Applicable
- Applicable

If applicable, complete the following:

- It shall be a Downgrade Event for Party A if Party A's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party A is not rated by either S&P or Moody's
- Other:
Specify: _____

(e) Guarantor for Party A: _____

Guarantee Amount: _____

Article 10

Confidentiality

Confidentiality Applicable

If not checked, inapplicable.

Schedule M

- Party A is a Governmental Entity or Public Power System
- Party B is a Governmental Entity or Public Power System
- Add Section 3.6. If not checked, inapplicable
- Add Section 8.6. If not checked, inapplicable

Other Changes

Specify, if any: _____

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party A Name

Party B Name

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

1.1 “Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.2 “Agreement” has the meaning set forth in the Cover Sheet.

1.3 “Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

1.4 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 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.

1.5 “Buyer” means the Party to a Transaction that is obligated to purchase and receive, or cause to be received, the Product, as specified in the Transaction.

1.6 “Call Option” means an Option entitling, but not obligating, the Option Buyer to purchase and receive the Product from the Option Seller at a price equal to the Strike Price for the Delivery Period for which the Option may be exercised, all as specified in the Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to sell and deliver the Product for the Delivery Period for which the Option has been exercised.

1.7 “Claiming Party” has the meaning set forth in Section 3.3.

1.8 “Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ 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.

1.9 “Confirmation” has the meaning set forth in Section 2.3.

1.10 “Contract Price” means the price in \$U.S. (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in the Transaction.

1.11 “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 a Transaction.

1.12 “Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issues rating by S&P, Moody’s or any other rating agency agreed by the Parties as set forth in the Cover Sheet.

1.13 “Cross Default Amount” means the cross default amount, if any, set forth in the Cover Sheet for a Party.

1.14 “Defaulting Party” has the meaning set forth in Section 5.1.

1.15 “Delivery Period” means the period of delivery for a Transaction, as specified in the Transaction.

1.16 “Delivery Point” means the point at which the Product will be delivered and received, as specified in the Transaction.

1.17 “Downgrade Event” has the meaning set forth on the Cover Sheet.

1.18 “Early Termination Date” has the meaning set forth in Section 5.2.

1.19 “Effective Date” has the meaning set forth on the Cover Sheet.

1.20 “Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.21 “Event of Default” has the meaning set forth in Section 5.1.

1.22 “FERC” means the Federal Energy Regulatory Commission or any successor government agency.

1.23 “Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer’s markets; (ii) Buyer’s inability economically to use or resell the Product purchased hereunder; (iii) the loss or failure of Seller’s supply; or (iv) Seller’s ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider

unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. The applicability of Force Majeure to the Transaction is governed by the terms of the Products and Related Definitions contained in Schedule P.

1.24 “Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.25 “Guarantor” means, with respect to a Party, the guarantor, if any, specified for such Party on the Cover Sheet.

1.26 “Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

1.27 “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. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

1.28 “Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.29 “Master Agreement” has the meaning set forth on the Cover Sheet.

1.30 “Moody’s” means Moody’s Investor Services, Inc. or its successor.

1.31 “NERC Business Day” means any day except a Saturday, Sunday or a holiday as defined by the North American Electric Reliability Council or any successor organization thereto. A NERC Business Day shall open at 8:00 a.m. and close at 5:00 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.

1.32 “Non-Defaulting Party” has the meaning set forth in Section 5.2.

1.33 “Offsetting Transactions” mean any two or more outstanding Transactions, having the same or overlapping Delivery Period(s), Delivery Point and payment date, where under one or

more of such Transactions, one Party is the Seller, and under the other such Transaction(s), the same Party is the Buyer.

1.34 “Option” means the right but not the obligation to purchase or sell a Product as specified in a Transaction.

1.35 “Option Buyer” means the Party specified in a Transaction as the purchaser of an option, as defined in Schedule P.

1.36 “Option Seller” means the Party specified in a Transaction as the seller of an option , as defined in Schedule P.

1.37 “Party A Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party A.

1.38 “Party B Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party B.

1.39 “Party A Independent Amount” means the amount , if any, set forth in the Cover Sheet for Party A.

1.40 “Party B Independent Amount” means the amount , if any, set forth in the Cover Sheet for Party B.

1.41 “Party A Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.42 “Party B Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.43 “Party A Tariff” means the tariff, if any, specified in the Cover Sheet for Party A.

1.44 “Party B Tariff” means the tariff, if any, specified in the Cover Sheet for Party B.

1.45 “Performance Assurance” means collateral in the form of either cash, Letter(s) of Credit, or other security acceptable to the Requesting Party.

1.46 “Potential Event of Default” means an event which, with notice or passage of time or both, would constitute an Event of Default.

1.47 “Product” means electric capacity, energy or other product(s) related thereto as specified in a Transaction by reference to a Product listed in Schedule P hereto or as otherwise specified by the Parties in the Transaction.

1.48 “Put Option” means an Option entitling, but not obligating, the Option Buyer to sell and deliver the Product to the Option Seller at a price equal to the Strike Price for the Delivery Period for which the option may be exercised, all as specified in a Transaction. Upon proper

exercise of the Option by the Option Buyer, the Option Seller will be obligated to purchase and receive the Product.

1.49 “Quantity” means that quantity of the Product that Seller agrees to make available or sell and deliver, or cause to be delivered, to Buyer, and that Buyer agrees to purchase and receive, or cause to be received, from Seller as specified in the Transaction.

1.50 “Recording” has the meaning set forth in Section 2.4.

1.51 “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (i) costs reasonably incurred by Buyer in purchasing such substitute Product and (ii) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or at Buyer’s option, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller’s liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

1.52 “S&P” means the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.) or its successor.

1.53 “Sales Price” means the price at which Seller, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Buyer, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Product and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or at Seller’s option, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer’s liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point.

1.54 “Schedule” or “Scheduling” means the actions of Seller, Buyer and/or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered on any given day or days during the Delivery Period at a specified Delivery Point.

1.55 “Seller” means the Party to a Transaction that is obligated to sell and deliver, or cause to be delivered, the Product, as specified in the Transaction.

1.56 “Settlement Amount” means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such party incurs as a result of the liquidation of a Terminated Transaction pursuant to Section 5.2.

1.57 “Strike Price” means the price to be paid for the purchase of the Product pursuant to an Option.

1.58 “Terminated Transaction” has the meaning set forth in Section 5.2.

1.59 “Termination Payment” has the meaning set forth in Section 5.3.

1.60 “Transaction” means a particular transaction agreed to by the Parties relating to the sale and purchase of a Product pursuant to this Master Agreement.

1.61 “Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point in a particular Transaction.

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS

2.1 Transactions. A Transaction shall be entered into upon agreement of the Parties orally or, if expressly required by either Party with respect to a particular Transaction, in writing, including an electronic means of communication. Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement (i) based on any law requiring agreements to be in writing or to be signed by the parties, or (ii) based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction.

2.2 Governing Terms. Unless otherwise specifically agreed, each Transaction between the Parties shall be governed by this Master Agreement. This Master Agreement (including all exhibits, schedules and any written supplements hereto), , the Party A Tariff, if any, and the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmations accepted in accordance with Section 2.3) shall form a single integrated agreement between the Parties. Any inconsistency between any terms of this Master Agreement and any terms of the Transaction shall be resolved in favor of the terms of such Transaction.

2.3 Confirmation. Seller may confirm a Transaction by forwarding to Buyer by facsimile within three (3) Business Days after the Transaction is entered into a confirmation (“Confirmation”) substantially in the form of Exhibit A. If Buyer objects to any term(s) of such Confirmation, Buyer shall notify Seller in writing of such objections within two (2) Business Days of Buyer’s receipt thereof, failing which Buyer shall be deemed to have accepted the terms as sent. If Seller fails to send a Confirmation within three (3) Business Days after the Transaction is entered into, a Confirmation substantially in the form of Exhibit A, may be forwarded by Buyer to Seller. If Seller objects to any term(s) of such Confirmation, Seller shall notify Buyer of such objections within two (2) Business Days of Seller’s receipt thereof, failing which Seller shall be deemed to have accepted the terms as sent. If Seller and Buyer each send a Confirmation and neither Party objects to the other Party’s Confirmation within two (2) Business Days of receipt, Seller’s

Confirmation shall be deemed to be accepted and shall be the controlling Confirmation, unless (i) Seller's Confirmation was sent more than three (3) Business Days after the Transaction was entered into and (ii) Buyer's Confirmation was sent prior to Seller's Confirmation, in which case Buyer's Confirmation shall be deemed to be accepted and shall be the controlling Confirmation. Failure by either Party to send or either Party to return an executed Confirmation or any objection by either Party shall not invalidate the Transaction agreed to by the Parties.

2.4 Additional Confirmation Terms. If the Parties have elected on the Cover Sheet to make this Section 2.4 applicable to this Master Agreement, when a Confirmation contains provisions, other than those provisions relating to the commercial terms of the Transaction (e.g., price or special transmission conditions), which modify or supplement the general terms and conditions of this Master Agreement (e.g., arbitration provisions or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 2.3 unless agreed to either orally or in writing by the Parties; provided that the foregoing shall not invalidate any Transaction agreed to by the Parties.

2.5 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording ("Recording") of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees. The Recording, and the terms and conditions described therein, if admissible, shall be the controlling evidence for the Parties' agreement with respect to a particular Transaction in the event a Confirmation is not fully executed (or deemed accepted) by both Parties. Upon full execution (or deemed acceptance) of a Confirmation, such Confirmation shall control in the event of any conflict with the terms of a Recording, or in the event of any conflict with the terms of this Master Agreement.

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1 Seller's and Buyer's Obligations. With respect to each Transaction, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Quantity of the Product at the Delivery Point, and Buyer shall pay Seller the Contract Price; provided, however, with respect to Options, the obligations set forth in the preceding sentence shall only arise if the Option Buyer exercises its Option in accordance with its terms. Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the Product or its receipt at and from the Delivery Point.

3.2 Transmission and Scheduling. Seller shall arrange and be responsible for transmission service to the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers, as specified by the Parties in the Transaction, or in the absence thereof, in accordance with the practice of the Transmission Providers, to deliver the Product to the Delivery Point. Buyer shall arrange and be responsible for transmission service at and from

the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive the Product at the Delivery Point.

3.3 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under the Transaction and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then, unless the terms of the Product specify otherwise, the Claiming Party shall be excused from the performance of its obligations with respect to such Transaction (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

ARTICLE FOUR: REMEDIES FOR FAILURE TO DELIVER/RECEIVE

4.1 Seller Failure. If Seller fails to schedule and/or deliver all or part of the Product pursuant to a Transaction, and such failure is not excused under the terms of the Product or by Buyer’s failure to perform, then Seller shall pay Buyer, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if “Accelerated Payment of Damages” is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

4.2 Buyer Failure. If Buyer fails to schedule and/or receive all or part of the Product pursuant to a Transaction and such failure is not excused under the terms of the Product or by Seller’s failure to perform, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if “Accelerated Payment of Damages” is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

5.1 Events of Default. An “Event of Default” shall mean, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
- (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to deliver or receive the Product, the exclusive remedy for which is provided in Article Four) if such failure is not remedied within three (3) Business Days after written notice;
- (d) such Party becomes Bankrupt;
- (e) the failure of such Party to satisfy the creditworthiness/collateral requirements agreed to pursuant to Article Eight hereof;
- (f) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;
- (g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable or (ii) a default by such Party or any other party specified in the Cover Sheet for such Party in making on the due date therefor one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet);
- (h) with respect to such Party's Guarantor, if any:
 - (i) if any representation or warranty made by a Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
 - (ii) the failure of a Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;
 - (iii) a Guarantor becomes Bankrupt;

- (iv) the failure of a Guarantor's guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under each Transaction to which such guaranty shall relate without the written consent of the other Party; or
- (v) a Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any guaranty.

5.2 Declaration of an Early Termination Date and Calculation of Settlement Amounts.

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party") shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all, Transactions (each referred to as a "Terminated Transaction") between the Parties, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable).

5.3 Net Out of Settlement Amounts. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by: netting out (a) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article Eight, plus any or all other amounts due to the Defaulting Party under this Agreement against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, so that all such amounts shall be netted out to a single liquidated amount (the "Termination Payment") payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-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 Party that owes it within two (2) Business Days after such notice is effective.

5.5 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 two (2) 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 the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment.

5.6 Closeout Setoffs.

Option A: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option B: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party or any of its Affiliates to the Non-Defaulting Party or any of its Affiliates under any other agreements, instruments or undertakings between the Defaulting Party or any of its Affiliates and the Non-Defaulting Party or any of its Affiliates and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option C: Neither Option A nor B shall apply.

5.7 Suspension of Performance. Notwithstanding any other provision of this Master Agreement, if (a) an Event of Default or (b) a Potential Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under any or all Transactions; provided, however, in no event shall any such suspension continue for longer than ten (10) NERC Business Days with respect to any single Transaction unless an early Termination Date shall have been declared and notice thereof pursuant to Section 5.2 given, and (ii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity.

ARTICLE SIX: PAYMENT AND NETTING

6.1 Billing Period. Unless otherwise specifically agreed upon by the Parties in a Transaction, the calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments and, if “Accelerated Payment of Damages” is specified by the Parties in the Cover Sheet, payments pursuant to Section 4.1 or 4.2 and Option premium payments pursuant to Section 6.7). As soon as practicable after the end of each month, each Party will render to the other Party an invoice for the payment obligations, if any, incurred hereunder during the preceding month.

6.2 Timeliness of Payment. Unless otherwise agreed by the Parties in a Transaction, all invoices under this Master Agreement shall be due and payable in accordance with each Party's invoice instructions on or before the later of the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6.3 Disputes and Adjustments of Invoices. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.3 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived.

6.4 Netting of Payments. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date pursuant to all Transactions through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products during the monthly billing period under this Master Agreement, including any related damages calculated pursuant to Article Four (unless one of the Parties elects to accelerate payment of such amounts as permitted by Article Four), interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

6.5 Payment Obligation Absent Netting. If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, including, but not limited to, any related damage amounts calculated pursuant to Article Four, interest, and payments or credits, that Party shall pay such sum in full when due.

6.6 Security. Unless the Party benefiting from Performance Assurance or a guaranty notifies the other Party in writing, and except in connection with a liquidation and termination in accordance with Article Five, all amounts netted pursuant to this Article Six shall not take into

account or include any Performance Assurance or guaranty which may be in effect to secure a Party's performance under this Agreement.

6.7 Payment for Options. The premium amount for the purchase of an Option shall be paid within two (2) Business Days of receipt of an invoice from the Option Seller. Upon exercise of an Option, payment for the Product underlying such Option shall be due in accordance with Section 6.1.

6.8 Transaction Netting. If the Parties enter into one or more Transactions, which in conjunction with one or more other outstanding Transactions, constitute Offsetting Transactions, then all such Offsetting Transactions may by agreement of the Parties, be netted into a single Transaction under which:

- (a) the Party obligated to deliver the greater amount of Energy will deliver the difference between the total amount it is obligated to deliver and the total amount to be delivered to it under the Offsetting Transactions, and
- (b) the Party owing the greater aggregate payment will pay the net difference owed between the Parties.

Each single Transaction resulting under this Section shall be deemed part of the single, indivisible contractual arrangement between the parties, and once such resulting Transaction occurs, outstanding obligations under the Offsetting Transactions which are satisfied by such offset shall terminate.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. 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 PROVIDED HEREIN OR IN A TRANSACTION, 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. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. 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, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS

8.1 Party A Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.1(a) is specified on the Cover Sheet, Section 8.1(a) Option C shall apply exclusively. If none of Sections 8.1(b), 8.1(c) or 8.1(d) are specified on the Cover Sheet, Section 8.1(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party B's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Party B's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as Party B diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party A may request from Party B the information specified in the Cover Sheet.

(b) Credit Assurances. If Party A has reasonable grounds to believe that Party B's creditworthiness or performance under this Agreement has become unsatisfactory, Party A will provide Party B with written notice requesting Performance Assurance in an amount determined by Party A in a commercially reasonable manner. Upon receipt of such notice Party B shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party A. In the event that Party B fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt

of notice, then an Event of Default under Article Five will be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party A plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold, then Party A, on any Business Day, may request that Party B provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold (rounding upwards for any fractional amount to the next Party B Rounding Amount) ("Party B Performance Assurance"), less any Party B Performance Assurance already posted with Party A. Such Party B Performance Assurance shall be delivered to Party A within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party B, at its sole cost, may request that such Party B Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party B's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party B Rounding Amount). In the event that Party B fails to provide Party B Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.1(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party A as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party B to Party A, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party B, then Party A may require Party B to provide Performance Assurance in an amount determined by Party A in a commercially reasonable manner. In the event Party B shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party B shall deliver to Party A, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party A.

8.2 Party B Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.2(a) is specified on the Cover Sheet, Section 8.2(a) Option C shall apply exclusively. If none of Sections 8.2(b), 8.2(c) or 8.2(d) are specified on the Cover Sheet, Section 8.2(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party A's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as such Party diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party B may request from Party A the information specified in the Cover Sheet.

(b) Credit Assurances. If Party B has reasonable grounds to believe that Party A's creditworthiness or performance under this Agreement has become unsatisfactory, Party B will provide Party A with written notice requesting Performance Assurance in an amount determined by Party B in a commercially reasonable manner. Upon receipt of such notice Party A shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party B. In the event that Party A fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party B plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold, then Party B, on any Business Day, may request that Party A provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold (rounding upwards for any fractional amount to the next Party A Rounding Amount) ("Party A Performance Assurance"), less any Party A Performance Assurance already posted with Party B. Such Party A Performance Assurance shall be delivered to Party B within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party A, at its sole cost, may request that such Party A Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party A's Independent Amount, if any, (rounding

upwards for any fractional amount to the next Party A Rounding Amount). In the event that Party A fails to provide Party A Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.2(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party B as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party A to Party B, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party A, then Party B may require Party A to provide Performance Assurance in an amount determined by Party B in a commercially reasonable manner. In the event Party A shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party A shall deliver to Party B, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party B.

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent either or both Parties deliver Performance Assurance hereunder, each Party (a "Pledgor") hereby grants to the other Party (the "Secured Party") a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such Secured Party, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Secured Party's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Performance Assurance, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party or its agent; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all Performance Assurance then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under the Agreement (the Pledgor remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

ARTICLE NINE: GOVERNMENTAL CHARGES

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Master Agreement in accordance with the intent of the parties to minimize all taxes , so long as neither Party is materially adversely affected by such efforts.

9.2 Governmental Charges. Seller shall pay or cause to be paid all taxes imposed by any government authority(“Governmental Charges”) on or with respect to the Product or a Transaction arising prior to the Delivery Point. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a Transaction at and from the Delivery Point (other than ad valorem, franchise or income taxes which are related to the sale of the Product and are, therefore, the responsibility of the Seller). In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer’s responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller’s responsibility hereunder, Buyer may deduct the amount of any such Governmental Charges from the sums due to Seller under Article 6 of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE TEN: MISCELLANEOUS

10.1 Term of Master Agreement. The term of this Master Agreement shall commence on the Effective Date and shall remain in effect until terminated by either Party upon (thirty) 30 days’ prior written notice; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Master Agreement that by its terms survives any such termination and, provided further, that this Master Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s), or such Transaction(s) that have been terminated under Section 5.2 of this Agreement.

10.2 Representations and Warranties. On the Effective Date and the date of entering into each Transaction, each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (ii) it has all regulatory authorizations necessary for it to legally perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (iii) the execution, delivery and performance of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

- (iv) this Master Agreement, each Transaction (including any Confirmation accepted in accordance with Section 2.3), and each other document executed and delivered in accordance with this Master Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses.
- (v) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (vii) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (viii) it is acting for its own account, has made its own independent decision to enter into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) and as to whether this Master Agreement and each such Transaction (including any Confirmation accepted in accordance with Section 2.3) is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (ix) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
- (x) it has entered into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Transaction to which it is a Party;
- (xi) with respect to each Transaction (including any Confirmation accepted in accordance with Section 2.3) involving the purchase or sale of a Product or an Option, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into such Transaction for purposes related to its business as such; and

- (xii) the material economic terms of each Transaction are subject to individual negotiation by the Parties.

10.3 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Quantity of the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

10.4 Indemnity. Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to Product is vested in such Party as provided in Section 10.3. Each Party shall indemnify, defend and hold harmless the other Party against any Governmental Charges for which such Party is responsible under Article Nine.

10.5 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

10.6 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

10.7 Notices. All notices, requests, statements or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

10.8 General. This Master Agreement (including the exhibits, schedules and any written supplements hereto), the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmation accepted in accordance with Section 2.3) constitute the entire

agreement between the Parties relating to the subject matter. Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. This Agreement shall be considered for all purposes as prepared through the joint efforts of the parties and shall not be construed against one party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or modification to this Master Agreement shall be enforceable unless reduced to writing and executed by both Parties. Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect outstanding Transactions under 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. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as “Regulatory Event”) will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties. The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity and audit rights shall survive the termination of this Agreement for twelve (12) months. This Agreement shall be binding on each Party’s successors and permitted assigns.

10.9 Audit. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Master Agreement. If requested, a Party shall provide to the other Party statements evidencing the Quantity delivered at the Delivery Point. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

10.10 Forward Contract. The Parties acknowledge and agree that all Transactions constitute “forward contracts” within the meaning of the United States Bankruptcy Code.

10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement to a third party (other than the Party’s employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled

to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

SCHEDULE M

(THIS SCHEDULE IS INCLUDED IF THE APPROPRIATE BOX ON THE COVER SHEET IS MARKED INDICATING A PARTY IS A GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM)

- A. The Parties agree to add the following definitions in Article One.

“Act” means _____.¹

“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.

“Special Fund” means a fund or account of the Governmental Entity or Public Power System set aside and or pledged to satisfy the Public Power System’s obligations hereunder out of which amounts shall be paid to satisfy all of the Public Power System’s obligations under this Master Agreement for the entire Delivery Period.

- B. The following sentence shall be added to the end of the definition of “Force Majeure” in Article One.

If the Claiming Party is a Governmental Entity or Public Power System, Force Majeure does not include any action taken by the Governmental Entity or Public Power System in its governmental capacity.

- C. The Parties agree to add the following representations and warranties to Section 10.2:

Further and with respect to a Party that is a Governmental Entity or Public Power System, such Governmental Entity or Public Power System represents and warrants to the other Party continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under the Act and the Public Power System’s ordinances, bylaws or other regulations, (ii) all persons making up the governing body of Governmental Entity or Public Power System are the duly elected or appointed incumbents in their positions and hold such

¹ Cite the state enabling and other relevant statutes applicable to Governmental Entity or Public Power System.

positions in good standing in accordance with the Act and other applicable law, (iii) entry into and performance of this Master Agreement by Governmental Entity or Public Power System are for a proper public purpose within the meaning of the Act and all other relevant constitutional, organic or other governing documents and applicable law, (iv) the term of this Master Agreement does not extend beyond any applicable limitation imposed by the Act or other relevant constitutional, organic or other governing documents and applicable law, (v) the Public Power System's obligations to make payments hereunder are unsubordinated obligations and such payments are (a) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law or (b) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Governmental Entity or Public Power System' obligations hereunder and under each Transaction or (c) are to be made solely from a Special Fund, (vi) entry into and performance of this Master Agreement and each Transaction by the Governmental Entity or Public Power System will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Governmental Entity or Public Power System otherwise entitled to such exclusion, and (vii) obligations to make payments hereunder do not constitute any kind of indebtedness of Governmental Entity or Public Power System or create any kind of lien on, or security interest in, any property or revenues of Governmental Entity or Public Power System which, in either case, is proscribed by any provision of the Act or any other relevant constitutional, organic or other governing documents and applicable law, any order or judgment of any court or other agency of government applicable to it or its assets, or any contractual restriction binding on or affecting it or any of its assets.

D. The Parties agree to add the following sections to Article Three:

Section 3.4 Public Power System's Deliveries. On the Effective Date and as a condition to the obligations of the other Party under this Agreement, Governmental Entity or Public Power System shall provide the other Party hereto (i) certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Governmental Entity or Public Power System of this Master Agreement and (ii) an opinion of counsel for Governmental Entity or Public Power System, in form and substance reasonably satisfactory to the Other Party, regarding the validity, binding effect and enforceability of this Master Agreement against Governmental Entity or Public Power System in respect of the Act and all

other relevant constitutional organic or other governing documents and applicable law.

Section 3.5 No Immunity Claim. Governmental Entity or Public Power System warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (a) suit, (b) jurisdiction of court (including a court located outside the jurisdiction of its organization), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment.

E. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one of the options under Section 8.3, the Parties agree to add the following section to Article Three:

Section 3.6 Governmental Entity or Public Power System Security. With respect to each Transaction, Governmental Entity or Public Power System shall either (i) have created and set aside a Special Fund or (ii) upon execution of this Master Agreement and prior to the commencement of each subsequent fiscal year of Governmental Entity or Public Power System during any Delivery Period, have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Master Agreement for such fiscal year; any breach of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which budgetary approval or certification of its obligations under this Master Agreement is in effect and, notwithstanding anything to the contrary in Article Four, an Early Termination Date shall automatically and without further notice occur hereunder as of such date wherein Governmental Entity or Public Power System shall be treated as the Defaulting Party. Governmental Entity or Public Power System shall have allocated to the Special Fund or its general funds a revenue base that is adequate to cover Public Power System's payment obligations hereunder throughout the entire Delivery Period.

F. If the appropriate box is checked on the Cover Sheet, the Parties agree to add the following section to Article Eight:

Section 8.4 Governmental Security. As security for payment and performance of Public Power System's obligations hereunder, Public Power System hereby pledges, sets over, assigns and grants to the other Party a security interest in all of Public Power System's right, title and interest in and to [specify collateral].

G. The Parties agree to add the following sentence at the end of Section 10.6 -
Governing Law:

NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE
APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS
OF THE STATE OF _____² SHALL APPLY.

² Insert relevant state for Governmental Entity or Public Power System.

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

“Ancillary Services” means any of the services identified by a Transmission Provider in its transmission tariff as “ancillary services” including, but not limited to, regulation and frequency response, energy imbalance, operating reserve-spinning and operating reserve-supplemental, as may be specified in the Transaction.

“Capacity” has the meaning specified in the Transaction.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

“Firm (LD)” means, with respect to a Transaction, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure. In the absence of Force Majeure, the Party to which performance is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article Four.

“Firm Transmission Contingent - Contract Path” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product in the case of the Seller from the generation source to the Delivery Point or in the case of the Buyer from the Delivery Point to the ultimate sink, and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This contingency shall excuse performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary.

“Firm Transmission Contingent - Delivery Point” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission to the Delivery Point (in the case of Seller) or from the Delivery Point (in the case of Buyer) for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product, in the case of the Seller, to be delivered to the Delivery Point or, in the case of Buyer, to be received at the Delivery Point and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This transmission contingency excuses performance for the duration of the interruption or curtailment, notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary. Interruptions or curtailments of transmission other than the transmission either immediately to or from the Delivery Point shall not excuse performance

“Firm (No Force Majeure)” means, with respect to a Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the Product, the Party to which performance is owed shall be entitled to receive from the Party which failed to perform an amount

determined pursuant to Article Four. Force Majeure shall not excuse performance of a Firm (No Force Majeure) Transaction.

“Into _____ (the “Receiving Transmission Provider”), Seller’s Daily Choice” means that, in accordance with the provisions set forth below, (1) the Product shall be scheduled and delivered to an interconnection or interface (“Interface”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which Interface, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area; and (2) Seller has the right on a daily prescheduled basis to designate the Interface where the Product shall be delivered. An “Into” Product shall be subject to the following provisions:

1. Prescheduling and Notification. Subject to the provisions of Section 6, not later than the prescheduling deadline of 11:00 a.m. CPT on the Business Day before the next delivery day or as otherwise agreed to by Buyer and Seller, Seller shall notify Buyer (“Seller’s Notification”) of Seller’s immediate upstream counterparty and the Interface (the “Designated Interface”) where Seller shall deliver the Product for the next delivery day, and Buyer shall notify Seller of Buyer’s immediate downstream counterparty.

2. Availability of “Firm Transmission” to Buyer at Designated Interface; “Timely Request for Transmission,” “ADI” and “Available Transmission.” In determining availability to Buyer of next-day firm transmission (“Firm Transmission”) from the Designated Interface, a “Timely Request for Transmission” shall mean a properly completed request for Firm Transmission made by Buyer in accordance with the controlling tariff procedures, which request shall be submitted to the Receiving Transmission Provider no later than 30 minutes after delivery of Seller’s Notification, provided, however, if the Receiving Transmission Provider is not accepting requests for Firm Transmission at the time of Seller’s Notification, then such request by Buyer shall be made within 30 minutes of the time when the Receiving Transmission Provider first opens thereafter for purposes of accepting requests for Firm Transmission.

Pursuant to the terms hereof, delivery of the Product may under certain circumstances be redesignated to occur at an Interface other than the Designated Interface (any such alternate designated interface, an “ADI”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which ADI, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area using either firm or non-firm transmission, as available on a day-ahead or hourly basis (individually or collectively referred to as “Available Transmission”) within the Receiving Transmission Provider’s transmission system.

3. Rights of Buyer and Seller Depending Upon Availability of/Timely Request for Firm Transmission.

A. Timely Request for Firm Transmission made by Buyer, Accepted by the Receiving Transmission Provider and Purchased by Buyer. If a Timely Request for Firm Transmission is made by Buyer and is accepted by the Receiving Transmission Provider

and Buyer purchases such Firm Transmission, then Seller shall deliver and Buyer shall receive the Product at the Designated Interface.

i. If the Firm Transmission purchased by Buyer within the Receiving Transmission Provider's transmission system from the Designated Interface ceases to be available to Buyer for any reason, or if Seller is unable to deliver the Product at the Designated Interface for any reason except Buyer's non-performance, then at Seller's choice from among the following, Seller shall: (a) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, require Buyer to purchase such Firm Transmission from such ADI, and schedule and deliver the affected portion of the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, or (b) require Buyer to purchase non-firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by Seller, or (c) to the extent firm transmission is available on an hourly basis, require Buyer to purchase firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of such hourly firm transmission from the Designated Interface or an ADI designated by Seller.

ii. If the Available Transmission utilized by Buyer as required by Seller pursuant to Section 3A(i) ceases to be available to Buyer for any reason, then Seller shall again have those alternatives stated in Section 3A(i) in order to satisfy its obligations.

iii. Seller's obligation to schedule and deliver the Product at an ADI is subject to Buyer's obligation referenced in Section 4B to cooperate reasonably therewith. If Buyer and Seller cannot complete the scheduling and/or delivery at an ADI, then Buyer shall be deemed to have satisfied its receipt obligations to Seller and Seller shall be deemed to have failed its delivery obligations to Buyer, and Seller shall be liable to Buyer for amounts determined pursuant to Article Four.

iv. In each instance in which Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI pursuant to Sections 3A(i) or (ii), and Firm Transmission had been purchased by both Seller and Buyer into and within the Receiving Transmission Provider's transmission system as to the scheduled delivery which could not be completed as a result of the interruption or curtailment of such Firm Transmission, Buyer and Seller shall bear their respective transmission expenses and/or associated congestion charges incurred in connection with efforts to complete delivery by such alternative scheduling and delivery arrangements. In any instance except as set forth in the immediately preceding sentence, Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI under Sections 3A(i) or (ii), Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with such alternative scheduling arrangements.

B. Timely Request for Firm Transmission Made by Buyer but Rejected by the Receiving Transmission Provider. If Buyer's Timely Request for Firm Transmission is rejected by the Receiving Transmission Provider because of unavailability of Firm Transmission from the Designated Interface, then Buyer shall notify Seller within 15 minutes after receipt of the Receiving Transmission Provider's notice of rejection ("Buyer's Rejection Notice"). If Buyer timely notifies Seller of such unavailability of Firm Transmission from the Designated Interface, then Seller shall be obligated either (1) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, to require Buyer to purchase (at Buyer's own expense) such Firm Transmission from such ADI and schedule and deliver the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, and thereafter the provisions in Section 3A shall apply, or (2) to require Buyer to purchase (at Buyer's own expense) non-firm transmission, and schedule and deliver the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by the Seller, in which case Seller shall bear the risk of interruption or curtailment of the non-firm transmission; provided, however, that if the non-firm transmission is interrupted or curtailed or if Seller is unable to deliver the Product for any reason, Seller shall have the right to schedule and deliver the Product to another ADI in order to satisfy its delivery obligations, in which case Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with Seller's inability to deliver the Product as originally prescheduled. If Buyer fails to timely notify Seller of the unavailability of Firm Transmission, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface, and the provisions of Section 3D shall apply.

C. Timely Request for Firm Transmission Made by Buyer, Accepted by the Receiving Transmission Provider and not Purchased by Buyer. If Buyer's Timely Request for Firm Transmission is accepted by the Receiving Transmission Provider but Buyer elects to purchase non-firm transmission rather than Firm Transmission to take delivery of the Product, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

D. No Timely Request for Firm Transmission Made by Buyer, or Buyer Fails to Timely Send Buyer's Rejection Notice. If Buyer fails to make a Timely Request for Firm Transmission or Buyer fails to timely deliver Buyer's Rejection Notice, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

4. Transmission.

A. Seller's Responsibilities. Seller shall be responsible for transmission required to deliver the Product to the Designated Interface or ADI, as the case may be. It is expressly agreed that Seller is not required to utilize Firm Transmission for its delivery obligations hereunder, and Seller shall bear the risk of utilizing non-firm transmission. If Seller's scheduled delivery to Buyer is interrupted as a result of Buyer's attempted transmission of the Product beyond the Receiving Transmission Provider's system border, then Seller will be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for damages pursuant to Article Four.

B. Buyer's Responsibilities. Buyer shall be responsible for transmission required to receive and transmit the Product at and from the Designated Interface or ADI, as the case may be, and except as specifically provided in Section 3A and 3B, shall be responsible for any costs associated with transmission therefrom. If Seller is attempting to complete the designation of an ADI as a result of Seller's rights and obligations hereunder, Buyer shall co-operate reasonably with Seller in order to effect such alternate designation.

5. Force Majeure. An "Into" Product shall be subject to the "Force Majeure" provisions in Section 1.23.

6. Multiple Parties in Delivery Chain Involving a Designated Interface. Seller and Buyer recognize that there may be multiple parties involved in the delivery and receipt of the Product at the Designated Interface or ADI to the extent that (1) Seller may be purchasing the Product from a succession of other sellers ("Other Sellers"), the first of which Other Sellers shall be causing the Product to be generated from a source ("Source Seller") and/or (2) Buyer may be selling the Product to a succession of other buyers ("Other Buyers"), the last of which Other Buyers shall be using the Product to serve its energy needs ("Sink Buyer"). Seller and Buyer further recognize that in certain Transactions neither Seller nor Buyer may originate the decision as to either (a) the original identification of the Designated Interface or ADI (which designation may be made by the Source Seller) or (b) the Timely Request for Firm Transmission or the purchase of other Available Transmission (which request may be made by the Sink Buyer). Accordingly, Seller and Buyer agree as follows:

A. If Seller is not the Source Seller, then Seller shall notify Buyer of the Designated Interface promptly after Seller is notified thereof by the Other Seller with whom Seller has a contractual relationship, but in no event may such designation of the Designated Interface be later than the prescheduling deadline pertaining to the Transaction between Buyer and Seller pursuant to Section 1.

B. If Buyer is not the Sink Buyer, then Buyer shall notify the Other Buyer with whom Buyer has a contractual relationship of the Designated Interface promptly after Seller notifies Buyer thereof, with the intent being that the party bearing actual responsibility to secure transmission shall have up to 30 minutes after receipt of the Designated Interface to submit its Timely Request for Firm Transmission.

C. Seller and Buyer each agree that any other communications or actions required to be given or made in connection with this “Into Product” (including without limitation, information relating to an ADI) shall be made or taken promptly after receipt of the relevant information from the Other Sellers and Other Buyers, as the case may be.

D. Seller and Buyer each agree that in certain Transactions time is of the essence and it may be desirable to provide necessary information to Other Sellers and Other Buyers in order to complete the scheduling and delivery of the Product. Accordingly, Seller and Buyer agree that each has the right, but not the obligation, to provide information at its own risk to Other Sellers and Other Buyers, as the case may be, in order to effect the prescheduling, scheduling and delivery of the Product

“Native Load” means the demand imposed on an electric utility or an entity by the requirements of retail customers located within a franchised service territory that the electric utility or entity has statutory obligation to serve.

“Non-Firm” means, with respect to a Transaction, that delivery or receipt of the Product may be interrupted for any reason or for no reason, without liability on the part of either Party.

“System Firm” means that the Product will be supplied from the owned or controlled generation or pre-existing purchased power assets of the system specified in the Transaction (the “System”) with non-firm transmission to and from the Delivery Point, unless a different Transmission Contingency is specified in a Transaction. Seller’s failure to deliver shall be excused: (i) by an event or circumstance which prevents Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Seller; (ii) by Buyer’s failure to perform; (iii) to the extent necessary to preserve the integrity of, or prevent or limit any instability on, the System; (iv) to the extent the System or the control area or reliability council within which the System operates declares an emergency condition, as determined in the system’s, or the control area’s, or reliability council’s reasonable judgment; or (v) by the interruption or curtailment of transmission to the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Seller’s performance. Buyer’s failure to receive shall be excused (i) by Force Majeure; (ii) by Seller’s failure to perform, or (iii) by the interruption or curtailment of transmission from the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Buyer’s performance. In any of such events, neither party shall be liable to the other for any damages, including any amounts determined pursuant to Article Four.

“Transmission Contingent” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is unavailable or interrupted or curtailed for any reason, at any time, anywhere from the Seller’s proposed generating source to the Buyer’s proposed ultimate sink, regardless of whether transmission, if any, that such Party is attempting to secure and/or has purchased for the Product is firm or non-firm. If the transmission (whether firm or non-firm) that Seller or Buyer is attempting to secure is from source to sink is unavailable, this contingency excuses performance for the entire Transaction. If the transmission (whether firm or non-firm) that Seller or Buyer has

secured from source to sink is interrupted or curtailed for any reason, this contingency excuses performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Article 1.23 to the contrary.

“Unit Firm” means, with respect to a Transaction, that the Product subject to the Transaction is intended to be supplied from a generation asset or assets specified in the Transaction. Seller’s failure to deliver under a “Unit Firm” Transaction shall be excused: (i) if the specified generation asset(s) are unavailable as a result of a Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the specified generation asset(s) so as to prevent Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, and which is not within the reasonable control of, or the result of the negligence of, the Seller or (iii) by Buyer’s failure to perform. In any of such events, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article Four.

MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER

This confirmation letter shall confirm the Transaction agreed to on _____, _____
between _____ (“Party A”) and _____ (“Party B”) _____
regarding the sale/purchase of the Product under the terms and conditions as follows:

Seller: _____

Buyer: _____

Product:

- Into _____, Seller’s Daily Choice
- Firm (LD)
- Firm (No Force Majeure)
- System Firm
(Specify System: _____)
- Unit Firm
(Specify Unit(s): _____)
- Other _____
- Transmission Contingency (If not marked, no transmission contingency)
 - FT-Contract Path Contingency Seller Buyer
 - FT-Delivery Point Contingency Seller Buyer
 - Transmission Contingent Seller Buyer
 - Other transmission contingency
(Specify: _____)

Contract Quantity: _____

Delivery Point: _____

Contract Price: _____

Energy Price: _____

Other Charges: _____

Confirmation Letter
Page 2

Delivery Period: _____

Special Conditions: _____

Scheduling: _____

Option Buyer: _____

Option Seller: _____

Type of Option: _____

Strike Price: _____

Premium: _____

Exercise Period: _____

This confirmation letter is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated _____ (the "Master Agreement") between Party A and Party B, and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

[Party A]

[Party B]

Name: _____

Name: _____

Title: _____

Title: _____

Phone No: _____

Phone No: _____

Fax: _____

Fax: _____

Appendix D

Sample Confirms (also provided in MS Word)

This Transaction Confirmation ("Confirmation") sets forth the agreement reached effective _____, 2023 ("Effective Date") by and between **HF Sinclair Puget Sound Refinery LLC**, formerly known as HollyFrontier Puget Sound Refinery LLC and **Counterparty** each a "Party" and collectively the "Parties" regarding the sale of the Products under the terms and conditions set forth below.

Master Agreement: EBI Master Agreement dated _____, along with any amendments and annexes thereto ("Master Agreement"). Capitalized terms not otherwise defined in this Confirmation have the meanings specified in the Master Agreement. If the terms and conditions of this Confirmation are in conflict with the Master Agreement, the terms and conditions of this Confirmation shall govern the rights and obligations of the Parties.

Seller: HF Sinclair

Buyer: [Counterparty Name]

Transaction Summary: HF Sinclair agrees to deliver and Buyer agrees to receive the physical energy Product generated by the Project at times determined by the Parties pursuant and subject to the terms of this Confirmation. Buyer shall deliver and tag such power to the HF Sinclair Refinery ("SR") and nominated by HF Sinclair under the separate confirm for such deliveries. Buyer shall arrange for and tag the remaining Project deliveries each hour. Buyer shall pay HF Sinclair the Contract Price times the amount of Project output delivered in excess of the electricity delivered from the Project to the PSR.

Project: HF Sinclair's Puget Sound Refinery Cogeneration Facility ("PSRC" or "Project"), (formerly known as the March Point Cogeneration Facility), located in Anacortes, Washington. The PSRC is a 140 MW cogeneration facility consisting of three gas turbine units of 40MW each and one 20 MW steam turbine generator.

Product: Power output of the PSRC as nominated by HF Sinclair

Term of Confirmation: July 1, 2023, through June 30, 2025.

Delivery Point: The PSRC interconnection with the Puget Sound Energy, Inc. ("PSE") transmission system (a.k.a. PSRC_GEN).

Contract Quantity: Up to 140 MW per hour. The Contract Quantity, which Seller must nominate to Buyer in accordance with the Nomination Protocols herein below, shall be defined as the total

TRANSACTION CONFIRMATION

| | |
|--|--|
| Contract ID: | Contract ID: |
| [Buyer Name] Attention: Phone: Email: | HF Sinclair Puget Sound Refinery LLC Attention: Constance Chan Phone: (214) 954-6663; Email: constance.chan@hfsinclair.com |



amount of electric energy produced by PSRC minus any PSRC station service requirements. Unless otherwise mutually agreed, Buyer shall have no responsibility to purchase, schedule and/or receive any energy from the PSRC other than the Contract Quantity nominated in accordance with the Nomination Protocols described herein below.

PSRC Operation: HF Sinclair shall have sole discretion for the operation and dispatch of the Project and for determining the Contract Quantity available for delivery to Buyer; *provided, however,* that HF Sinclair shall be obligated to deliver to Buyer the Contract Quantity of the Product in accordance with this Confirmation and applicable provisions of the Master Agreement.

Nomination Protocols:
Seller’s Monthly Nomination to Buyer: No later than six (6) Business Days prior to the beginning of each calendar month during the Term of Confirmation, Seller shall nominate to Buyer the quantity of Contract Quantity (in MW) that will be sold to Buyer for such calendar and subsequent calendar month.

Seller’s Daily Nomination to Buyer: No later than 3:00 pm PPT on the day prior to the applicable pre-schedule day(s) per the WECC pre-scheduling calendar, Seller may update, if applicable, the applicable Monthly Nomination for the subsequent trading day(s).

Seller’s Hourly Nomination to Buyer: No later than 75 minutes prior to the start of the hour of delivery, Seller may update, if applicable, the Daily Nomination, for that hour of delivery, and shall use all reasonable efforts to provide prompt advance notice of any anticipated changes in the output of the Project.

If the required nomination information is not updated, the Parties shall rely on the most recently supplied information.

Seller’s Nomination to PSE. Seller shall be responsible for any nomination of Contract Quantity as required by PSE.

Contact Information: Which may be updated from time to time.

| For HF Sinclair: | For [Buyer Name]: |
|---|---|
| Commercial: Constance Chan Constance.Chan@hfsinclair.com | Marketing: Name: Email: |
| Economics & Supply: Laura Harrison (360) 293-1512 Laura.harrison@HFSinclair.com | Term Trading: Name: Phone: Email: |
| Back up Brian Parker (360) 299-9017 Brian.Parker@HFSinclair.com | Daily Trading: Name: Phone: Email: |
| Operations: Nathan Wood +1 (360) 299-9497 Nathan.Wood@HFSinclair.com | Additional Contacts: |

Contract Price: Seller to propose pricing as indicated in the RFP.

Energy Scheduling: All energy scheduling shall be performed consistent with all applicable WECC scheduling practices, PSE scheduling practices, and any other mutually agreed to scheduling and/or communication protocols.

Project Interconnection & Ancillary Services: HF Sinclair shall be responsible for all PSE ancillary service charges, costs and/or penalties associated with the integration and operation of the PSRC within the PSE Balancing Authority and that are billed directly to HF Sinclair by PSE.

Transmission Procurement & Scheduling: Buyer shall acquire, hold, schedule and manage PSE Point-to-Point (“PTP”) transmission rights necessary to implement this Confirmation. Buyer’s fee for such PTP transmission procurement is incorporated into the Contract Price.

Transmission scheduling will be performed in accordance with prevailing WECC and PSE business practices.

Billing and Payment: HF Sinclair shall invoice Buyer for all Contract Quantity sold and delivered to Buyer under this Confirmation. Such billing and payment shall be consistent with the terms and timelines described in the Master Agreement.

Washington Climate Commitment Act: HF Sinclair expects that the output from the Cogen Project will be fully compliant with the Washington State Climate Commitment Act (“CCA”), however, there are some details regarding compliance that are being worked out by state agencies. Should Buyer do anything in the receipt and/or delivery of the power output that increases the costs HF Sinclair incurs to comply with the CCA, the Buyer will reimburse HF Sinclair for all such increases..

Conditions Precedent: Buyer’s obligations hereunder are subject to and conditioned upon Counterparty agreeing to the Commodity Trade Option Representations (set forth below) and returning a signed copy of this Transaction Confirmation to Buyer within two (2) business days (collectively the "Conditions Precedent"). Buyer, in its sole discretion, may elect to waive such Conditions Precedent.

Commodity Trade Option Representations: To the extent that this transaction (alone or combined with related transaction(s)) (the "Transaction") is deemed by either party or by the Commodity Futures Trading Commission ("CFTC") to be a commodity trade option under part 32 of the CFTC's regulations (including certain forward transactions with volumetric optionality that are not excluded from the definition of "swap"):

The seller of the option represents to the buyer of the option that in connection with this Transaction, the seller of the option is either (i) an eligible contract participant ("ECP") as defined in section 1a(18) of the Commodity Exchange Act ("Act") and the regulations of the Commodity Futures Trading Commission ("CFTC"), or (ii) a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Transaction, or the products or byproducts thereof, and is offering or entering into this Transaction solely for purposes related to its business as such.

The buyer of the option represents to the seller of the option that in connection with this Transaction the buyer of the option is a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Transaction or the products or by-products thereof and is offering or entering into this Transaction solely for purposes related to its business as such.

Each party represents to the other that this Transaction is intended to be physically settled so that, if exercised, the option would result in the sale of an exempt commodity for immediate or deferred delivery.

| HF Sinclair Puget Sound Refinery LLC | [Buyer Name] |
|---|---------------------------------------|
| By: _____ Name: Title: Date: | By: _____ Name: Title: Date: |



| | |
|---|--|
| HF Sinclair Puget Sound Refinery LLC Attention: Constance Chan Phone: (214) 954-6575; Email: constance.chan@hfsinclair.com | [Seller Name] Attention: Phone: Email: |
| Contract ID: | Contract ID: |

TRANSACTION CONFIRMATION

This Transaction Confirmation (“Confirmation”) sets forth the agreement reached effective December ____, 2023 (“Effective Date”) by and between **HF Sinclair Puget Sound Refinery LLC**, formerly known as HollyFrontier Puget Sound Refinery LLC and **Counterparty** each a “Party” and collectively the “Parties” regarding the sale of the Products under the terms and conditions set forth below.

Master Agreement: EEI Master Agreement dated _____, along with any amendments and annexes thereto (“Master Agreement”). Capitalized terms not otherwise defined in this Confirmation have the meanings specified in the Master Agreement. If the terms and conditions of this Confirmation are in conflict with the Master Agreement, the terms and conditions of this Confirmation shall govern the rights and obligations of the Parties.

Seller: [Counterparty Name]

Buyer: HF Sinclair

Transaction Summary: Seller agrees to sell and HF Sinclair agrees to buy electricity, in the amounts and at times and prices determined by the Parties during the Delivery Term pursuant and subject to the terms of this Confirmation. Such Product shall be used to satisfy the anticipated electricity demand for HF Sinclair’s Puget Sound Refinery (“PSR”).

Product: WSPP Schedule C Firm Energy

Project: The Puget Sound Refinery (“PSR” or “Project”), located in Anacortes, Washington.

Delivery Term: July 1, 2023, through June 30, 2025.

Delivery Period(s): As mutually agreed to by the Parties during the Delivery Term in accordance with the Nomination Protocols described herein.

Delivery Rate: In roughly uniform amounts over any Delivery Period(s) matching the expected electrical need of the PSR.

Delivery Point: The PSR interconnection with the Puget Sound Energy, Inc. (“PSE”) transmission system. Seller is responsible for transmission of power to the Delivery Point.

Contract Quantity: Up to 42 MW per hour as determined by Buyer. The Energy will be scheduled from Seller to Buyer in accordance with the Scheduling Protocols herein.

Scheduling Protocols: Buyer’s Monthly Requirements: No later than six (6) Business Days prior to the beginning of each calendar month during the Term of Confirmation, Buyer shall inform Seller of its

required Contract Quantity (in MW) that will be delivered to Buyer for such calendar and subsequent calendar month.

Buyer's Daily Requirements: No later than 3:00 pm PPT on the day prior to the applicable pre-schedule day(s) per the WECC pre-scheduling calendar, Buyer may update, if applicable, its required applicable Monthly schedule for the subsequent trading day(s).

Buyer's Hourly Nomination to Seller: No later than 75 minutes prior to the start of the hour of delivery, Buyer may update, if applicable, the Daily Schedule for that hour of delivery. Seller shall use all reasonable efforts to provide Buyer with prompt advance notice of any anticipated changes in the output of the Project.

If the required scheduling information is not updated, the Parties shall rely on the most recently supplied information.

PSE Tariff Requirements: Buyer shall be responsible for communicating any information to PSE that is required to satisfy Buyer's obligations under PSE's Schedule 449 Tariff, as amended or replaced by PSE.

Contact Information: Which may be updated from time to time:

| For HF Sinclair: | For Seller: |
|---|---|
| Commercial: Constance Chan Constance.Chan@hfsinclair.com | Marketing: Name: Email: |
| Economics & Supply: Laura Harrison (360) 293-1512 Laura.harrison@hfsinclair.com | Term Trading: Name: Phone: Email: |
| Back up: Brian Parker (360) 299-9017 Brian.Parker@HFSinclair.com | Daily Trading: Name: Phone: Email: |
| Operations: Nathan Wood (360) 299-9497 Nathan.Wood@HFSinclair.com | Additional Contacts: |

Contract Price: \$0/MWh for power delivered from the HF Sinclair Cogen Project.

Respondents should propose a pricing mechanism for times when the Cogen Project is not producing sufficient output to cover the electricity needs of the PSR.

Energy Scheduling: All energy scheduling shall be performed consistent with all applicable WECC scheduling practices, PSE scheduling practices, and any other mutually agreed to scheduling and/or communication protocols. As specified in the separate confirm for the purchase/sale of the cogeneration output, the cogeneration output will be scheduled and tagged to serve the PSR to the extent such generation is sufficient to meet the needs of the PSR.

PSE Costs: HF Sinclair shall be responsible for PSE ancillary service charges, costs and/or penalties associated with the integration and operation of the PSR within the PSE Balancing Authority Area.

Billing and Payment: For Energy: Seller shall invoice Buyer for all Contract Quantity sold and delivered to Buyer under this Confirmation. Such billing and payment shall be consistent with the terms and timelines described in the Master Agreement.

For any Ancillary Services: Seller shall invoice Buyer for all applicable ancillary service costs charged to Seller by PSE and that are attributable to Seller's obligations under this agreement. Seller shall use commercially reasonable efforts to prepare and deliver such invoice as soon as possible after Seller receives PSE's charges. Buyer shall have 20 days after receipt of Seller's invoice to pay Seller.

Washington Climate Commitment Act:

To the extent that Seller delivers any portion of the electric energy output of the HF Sinclair Cogen Project to meet the load requirements of the PSR, Seller shall not have obligations to cover the cost of compliance instruments acquired by HF Sinclair under the Washington Climate Commitment Act. To the extent that Seller delivers electrical energy to the PSR under this agreement from a source other than the HF Sinclair PSR cogeneration facility, the Seller shall be responsible for providing the Washington Climate Commitment Act allowances for any related emissions.

Conditions Precedent: Seller's obligations hereunder are subject to and conditioned upon Counterparty agreeing to the Commodity Trade Option Representations (set forth below) and returning a signed copy of this Transaction Confirmation to Seller within two (2) business days (collectively the "Conditions Precedent"). Seller, in its sole discretion, may elect to waive such Conditions Precedent.

Commodity Trade Option Representations:

To the extent that this transaction (alone or combined with related transaction(s)) (the "Transaction") is deemed by either party or by the Commodity Futures Trading Commission ("CFTC") to be a commodity trade option under part 32 of the CFTC's regulations (including certain forward transactions with volumetric optionality that are not excluded from the definition of "swap"):

The seller of the option represents to the buyer of the option that in connection with this Transaction, the seller of the option is either (i) an eligible contract participant ("ECP") as defined in section 1a(18) of the Commodity Exchange Act ("Act") and the regulations of the Commodity Futures Trading Commission ("CFTC"), or (ii) a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Transaction, or the products or byproducts thereof, and is offering or entering into this Transaction solely for purposes related to its business as such.

The buyer of the option represents to the seller of the option that in connection with this Transaction the buyer of the option is a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Transaction or the products or by-products thereof and is offering or entering into this Transaction solely for purposes related to its business as such.

Each party represents to the other that this Transaction is intended to be physically settled so that, if exercised, the option would result in the sale of an exempt commodity for immediate or deferred delivery.

| | |
|---|----------------------|
| HF Sinclair Puget Sound Refinery LLC | [Seller Name] |
| | |

| | |
|---------------------------------------|---------------------------------------|
| By: _____ Name: Title: Date: | By: _____ Name: Title: Date: |
|---------------------------------------|---------------------------------------|

Power and Transmission Scheduling Agent Services Agreement

This POWER AND TRANSMISSION SCHEDULING AGENT SERVICES AGREEMENT (“AGREEMENT”) dated December _____, 2023 (“Agreement Date”), sets forth the rates, terms and conditions under which the Counterparty (“Counterparty”) agrees to perform scheduling agent services (the “Services”) for **HF SINCLAIR PUGET SOUND REFINING LLC**, formerly known as HollyFrontier Puget Sound Refinery LLC (“HF Sinclair”). Counterparty and HF Sinclair are hereinafter collectively referred to as “Parties” and individually as “Party.”

- A. Counterparty and /or its affiliates and HF Sinclair and /or its affiliates”) have entered into agreements for the divesture of certain Counterparty assets to HF Sinclair Companies, and as part of those agreements the parties have agreed to extend certain power and gas purchase agreements (collectively, the “Transactions”); and
- B. In support of the Transactions , Counterparty has agreed to provide the Services on the terms set out in this Agreement.

Therefore, for good and valuable consideration the Parties agree as follows:

1. **Description of Counterparty’s Power Scheduling Services Scope and Definitions.**

- (a) Counterparty shall perform the Services described in Section 3 in connection with the Assets described in Exhibit A and HF Sinclair’s obligations related to electricity e-tagging, real-time scheduling and services, on behalf of HF Sinclair, to manage and/or schedule power supply.

- (b) As used in this Agreement:

“**BSAP**” means Base Schedule Aggregate Portal.

“**Business Day**” mean any day excluding Saturday, Sunday, and any day when banking institutions in Washington are authorized or required by law to be closed or on which the Federal Reserve Banks are closed.

“**EIM**” means Energy Imbalance Market

“**NITS**” means Network Integration Transmission Services.

“**OASIS**” means Open Access Same-Time Information System, an internet -based system for obtaining services related to electric power transmission in North America.

“**Preschedule Day**” has the meaning ascribed to such term by WECC (“Western Electricity Coordinating Council”) per WECC standard convention, as such conventions may change from time to time, which convention is currently defined by WECC as:

| Pre-Scheduled Day | Available Day |
|---|--------------------------|
| Monday | Tuesday |
| Tuesday | Wednesday |
| Wednesday | Thursday |
| Thursday | Friday and / or Saturday |
| Friday | Sunday and /or Monday |
| In accordance with the prevailing WECC Pre-Schedule Calendar. | WECC Holidays |

“**PSE**” means Puget Sound Energy

“**Realtime Day**” has the meaning ascribed to such term by WECC per WECC standard convention.

2. **Term and Effective Date.**

- (a) This Agreement shall be effective on July 1, 2023 (“Effective Date”) and continue through June 30, 2025 except as otherwise earlier terminated in accordance with this Section 2.
- (b) Termination for Cause. If one of the following events occurs with respect to one Party (the “Defaulting Party”), the other Party (“Non-Defaulting Party”) shall have the right to terminate this Agreement on delivery of written notice to the other Party:

- (i) Defaulting Party fails to make when due any undisputed payment due under this Agreement if such failure is not remedied within five (5) Business Days after written notice of such failure is given to such Party failing to make payment;
 - (ii) Defaulting Party defaults in the observance or performance of any of its material covenants, agreements or obligations in this Agreement (other than a default in a payment obligation) and such default continues unremedied for ten (10) Business Days after written notice is given to such Party failing to perform its material covenants, agreements or obligations under this Agreement; or
 - (iii) Defaulting Party makes an assignment or any general arrangement for the benefit of creditors; or files a petition or otherwise commence, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such petition filed against it; or otherwise becomes bankrupt or insolvent (however evidenced); or is unable to pay its debts as they fall due.
- (c) Effect of Termination. Notwithstanding anything to the contrary herein, the termination of this Agreement shall not relieve either Party of (i) any unfulfilled obligation or undischarged liability of such Party existing as of the termination date, (ii) the consequences of any breach or default under this Agreement to the extent not excused by this Agreement, or (iii) any obligations or liabilities arising from provisions of this Agreement that either expressly or by their nature survive the termination of this Agreement. Within ninety (90) days after the termination of this Agreement, any undisputed amounts due from either Party shall be paid, any corrections or adjustments to payments previously made shall be determined, and any refunds made.

3. Services to be Performed by Counterparty.

- (a) **Information Technology Setup:** Counterparty, together with HF Sinclair, will perform the initial setup and testing and any subsequent modifications of applicable software platforms (i.e. OATI) in order to perform the Services. Counterparty will inform HF Sinclair of any necessary forms and approvals to complete this Service.
- (b) **Information for Schedules:** HF Sinclair shall be responsible for providing detailed information regarding the generation to be scheduled and the Counterparty will rely on that information for the purposes of preparing schedules on HF Sinclair's behalf. Such HF Sinclair information shall be provided to the Counterparty prior to the beginning of each month (month ahead schedule), opening of the relevant Day-Ahead and/or Hour-ahead market, as appropriate.
- (c) **Preschedule Day:** Counterparty will create e-tags for delivery under the output sale based on the monthly generation estimate provided by HF Sinclair. HF Sinclair will provide the Counterparty with updated generation estimates as soon as practical for use in Preschedule Day if necessary. For load requirements, the Counterparty will coordinate and verify all the necessary information to complete the e-tag(s). Counterparty will reserve transmission necessary for deliveries of power to HF Sinclair load utilizing HF Sinclair's network transmission products. Wherever possible, the Counterparty will utilize 7-FN (Firm Network transmission) and utilize NITS on OASIS to submit necessary information to complete the Designated Network Resource ("DNR") process for each 7-FN Transmission Reservation on OASIS.
- (d) **Realtime Day:** HF Sinclair shall communicate to the Counterparty by telephone, or other mutually agreed upon means, as soon as possible in the event of (i) a partial or complete loss of generation at PSR Cogen, and (ii) the resumption of PSR Cogen generation after such an outage.
- (e) **Curtailement:** In the event of a curtailment, the Counterparty will use commercially reasonable efforts to arrange a replacement schedule for the applicable period. In the event a third-party counterparty does not resupply a schedule, the Counterparty shall be held harmless, provided they make commercially reasonable efforts to coordinate resupply generation.
- (f) Counterparty shall be excused from performing its obligations under this Agreement to the extent that any failure by HF Sinclair to perform any of its obligations under this Agreement prevents, delays or interferes with the Counterparty performing its obligations under this Agreement.
- (g) Counterparty shall use commercially reasonable efforts to aid HF Sinclair in resolving any discrepancies with third parties resulting from the Services provided by the Counterparty to HF Sinclair. The Counterparty shall use

commercially reasonable efforts to assist HF Sinclair in resolving any discrepancies with PSE, including the filing of disputes on HF Sinclair's behalf with PSE as may be appropriate, but not including disputes encompassed in the PSE ADR Procedures.

4. **HF Sinclair Obligations.**

(a) HF Sinclair will:

- (1) provide Counterparty with a monthly generation estimate for use in the Preschedule Day five business days prior to the start of each month;
- (2) provide daily generation forecast values no later than 8:00 a.m. on each Preschedule Day;
- (3) provide a 7-day generation forecast no later than 8:00 a.m. on each Preschedule Day;
- (4) submit all necessary Outage reports to the appropriate entities at Puget Sound Balancing Authority;
- (5) provide updated generation forecast values as necessary; and
- (6) communicate to Counterparty as soon as possible in the event of a partial or complete loss of generation and the resumption of generation after such an outage.

(b) Contact List. HF Sinclair shall provide Counterparty with a 24-hour emergency contact list.

(c) HF Sinclair shall be excused from performing its obligations under this Agreement to the extent that any failure by the Counterparty to perform any of the Counterparty's obligations under this Agreement prevents, delays or interferes with HF Sinclair performing HF Sinclair's obligations under this Agreement.

(d) Outage Notices. HF Sinclair shall file outage and maintenance notices regarding the Assets in conformance with the PSE EIM market obligations.

5. **Fees for Services.**

In consideration of the Counterparty providing Services pursuant to the terms of this Agreement, HF Sinclair shall pay the Counterparty a fee of \$0 per month ("Fee") beginning XX, or earlier as mutually agreed.

6. **Monthly Settlement.**

(a) Payment Information.

- i. On or before the tenth (10th) Business Day of the month following the end of the previous month, the Counterparty shall deliver to HF Sinclair a written statement in electronic form, which may be based on reasonable estimated amounts if actual amounts are not available, setting forth amounts due HF Sinclair or Counterparty, as the case may be, under this Agreement.
- ii. If the Counterparty has estimated amounts due in any invoice, they shall credit or debit future invoices, as appropriate, for the difference between actual and estimated charges when actual charges become known. Each Party shall pay all amounts owed by it under this Agreement in dollars by wire transfer in immediately available funds to the account of the payee Party set forth below.
- iii. The Parties shall net all amounts due between them arising under this Agreement. If the Counterparty and HF Sinclair each owes an amount to the other in the same month, then such amounts with respect to each Party shall be aggregated, and the Parties shall satisfy their payment obligations through netting, in which case the Party owing the greater aggregate amount shall pay to the other Party the difference between the amounts owed.
- iv. HF Sinclair shall pay to the Counterparty the net amount owed to the Counterparty, if any, by the later of the tenth (10th) day after the statement was received or the twentieth (20th) day of the month in which the statement was received. If the Counterparty owes an amount to HF Sinclair, the Counterparty shall pay the amount to the HF Sinclair by the later of the tenth (10th) day after the statement was sent or the twentieth (20th) day of the month after the month to which the amount relates.

- v. If amounts are due from the Counterparty after the Term of this Agreement has expired and the calculation of such amounts is based on estimates, the Counterparty shall make such payment within ten (10) Business Days after actual amounts are known.
- vi. If the payment due date is not a Business Day, the payment will be due on the next Business Day. All overdue payments shall bear interest at the Interest Rate from (and including) the due date to (but excluding) the date paid. “Interest Rate” shall mean the lower of 2% over the then-current U.S. prime rate, as listed in the Money Rates section of *The Wall Street Journal* on the first day of the month in which such interest was calculated, and the maximum lawful rate. Interest on amounts due hereunder shall accrue and compound daily based on a 360-day year.

| Payments by Counterparty to HF Sinclair | Payments by HF Sinclair to Counterparty |
|--|--|
| Account Name: HF Sinclair Refining & Marketing LLC Bank: Bank of America ABA Routing No. 026009593 Account No. 4426325970 | Account Name: Bank: ABA Routing No. Account No. |

- (b) **Disputes and Adjustments of Invoices.** A Party may, in good faith, dispute the correctness of any invoice or any invoice adjustment rendered under this Agreement within 18 months following receipt of the invoice or invoice adjustment. If an invoice, or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6(d) within 18 months after the invoice is rendered or any specific adjustment to the invoice is made.
7. **Force Majeure.** If a Party is rendered unable by an event of Force Majeure to carry out wholly or in part its obligations under this Agreement, and if such Party gives notice and full particulars of such event of Force Majeure to the other Party promptly after the occurrence of the event of Force Majeure, then the obligations of the Party affected by such event of Force Majeure, other than the obligation to make payments then due or becoming due hereunder, shall be suspended from the inception of the event of Force Majeure and throughout the period of continuance of any such inability so caused, but for no longer period, and the affected Party shall use commercially reasonable efforts to remedy the event of Force Majeure with all reasonable dispatch. The term “Force Majeure” means an event or circumstance beyond the control of the Party affected, that is not the direct or indirect result of such Party’s negligence or failure to perform its obligations under this Agreement, or to comply with applicable law, that wholly or partly prevents or delays the performance of such Party’s obligations arising under this Agreement, including but not limited to flood, earthquake, hurricane, tsunami, tornado, storm, fire, lightning, epidemic, war, riots, civil disturbance or disobedience, labor dispute, material shortage, sabotage, terrorist activity, restraint by court order or public authority, and action or non-action by or inability to obtain the necessary authorization or approvals from any governmental agency or authority, which by exercise of due diligence such Party has been unable to overcome. Force Majeure shall not include economic hardship or unscheduled outage of an Asset due to breakage of equipment or imminent breakage of equipment or other imminent property damage unless such unscheduled outage is due to an event of Force Majeure. Notwithstanding the foregoing, the Parties agree, without limitation, that the terms of settlement of any strike, lockout or other labor dispute are wholly within the discretion of the applicable Party.
8. **Indemnification.**
- (a) **Indemnity by Counterparty.** Counterparty releases, and shall indemnify and hold harmless, HF Sinclair and its affiliates and their respective agents, representatives, contractors, subcontractors, partners, members, participants, principals, representatives, shareholders, directors, trustees, officers, agents, employees, successors or assigns of any of them (collectively, “HF Sinclair Related Parties”), from and against any and all suits, actions, liabilities, legal proceedings, claims, demands, losses, fines, penalties, costs and expenses of whatsoever kind or character, including

reasonable attorneys' fees and expenses (collectively, "Losses"), relating to or arising out of the Counterparty's performance or non-performance of its obligations under this Agreement.

(b) Indemnity and Release by HF Sinclair. HF Sinclair releases, and shall indemnify and hold harmless, the Counterparty and its affiliates and their respective agents, representatives, contractors, subcontractors, partners, members, participants, principals, representatives, shareholders, directors, trustees, officers, agents, employees, successors or assigns of any of them (collectively, "Counterparty Related Parties"), from and against Losses relating to or arising out of HF Sinclair's performance or non-performance of its obligations under this Agreement. HF Sinclair acknowledges that the Counterparty will ask HF Sinclair to verify the accuracy and completeness of information that the Counterparty provides to HF Sinclair and its consistency with HF Sinclair's operational plans; and that the Counterparty may refuse to provide the services required hereunder at any time that the Counterparty does not receive that verification, and in such event, the Counterparty shall have no liability hereunder for such refusal to provide the SA services required hereunder.

9. Limitation of Damages. EXCEPT TO THE EXTENT ARISING FROM THE PARTIES' RESPECTIVE OBLIGATIONS UNDER SECS. 8(a) AND 8(b), NEITHER PARTY NOR ITS AFFILIATES NOR THEIR RESPECTIVE AGENTS, REPRESENTATIVES, CONTRACTORS OR SUBCONTRACTORS NOR THE PARTNERS, MEMBERS, PARTICIPANTS, PRINCIPALS, REPRESENTATIVES, SHAREHOLDERS, DIRECTORS, TRUSTEES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS OF ANY OF THEM SHALL IN ANY EVENT BE LIABLE TO THE OTHER PARTY OR ITS SUBSIDIARIES OR AFFILIATES OR THE OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, PARTICIPANTS, PARTNERS, MEMBERS, SHAREHOLDERS, PRINCIPALS, DIRECTORS OR TRUSTEES OF ANY OF THEM FOR CLAIMS FOR INCIDENTAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR INDIRECT DAMAGES OF ANY NATURE, ARISING AT ANY TIME, FROM ANY CAUSE WHATSOEVER, WHETHER ARISING IN TORT (INCLUDING NEGLIGENCE OR GROSS NEGLIGENCE), CONTRACT, WARRANTY, STRICT LIABILITY, BY OPERATION OF LAW OR OTHERWISE, CONNECTED WITH OR RESULTING FROM PERFORMING OR NOT PERFORMING UNDER THIS AGREEMENT.

10. Governing Law. This Agreement is governed by and shall be construed according to the laws of the state of Texas excluding any choice of law rules or principles that would result in the application of the laws of a different jurisdiction.

11. Amendment. This Agreement can be amended only by a written agreement executed by an authorized representative of each Party.

12. Waiver. If on any occasion a Party does not insist upon the performance of any term, condition or provision of this Agreement, such forbearance shall not operate or be construed as an acceptance of any variation in any term, condition or provision of this Agreement or relinquishment of any right under this Agreement. No waiver by either Party of any right or of any default by the other Party under this Agreement shall be effective unless the waiver is in writing and signed by the waiving Party, and no waiver shall operate or be construed as a waiver of any other or further right or as a waiver of any future default, whether of like or different character or nature.

13. Confidential Information. Each Party shall hold in confidence all information disclosed to it by the other Party or its representatives that pertains to HF Sinclair's or the Counterparty's business, as the case may be, and that is not publicly available, including this Agreement, proprietary practices, technical information, information regarding HF Sinclair's or the Counterparty's management policies, economic policies, financial information and other data ("Confidential Information"). Prior to any disclosure of Confidential Information pursuant to the California Public Records Act, HF Sinclair shall provide reasonable advance notice to the Counterparty of the time and scope of the intended disclosure in order to provide the Counterparty an opportunity to obtain a protective order or otherwise seek to prevent, limit the scope of, or impose conditions upon such disclosure. For the avoidance of doubt, the Counterparty considers its scheduling and trading strategies and the pricing information contained in this Agreement to be proprietary and confidential. Confidential Information shall not include (a) information that is publicly available, or (b) information obtained by a Party from a third party not known to be under an obligation of non-disclosure to HF Sinclair or the Counterparty, as the case may be. The obligations in this Sec. 13 shall continue in effect during the term of this Agreement and for two years after the termination date. Notwithstanding the foregoing, each Party may disclose Confidential Information (i) to the extent necessary to perform this Agreement, (ii) to any governmental authority or as otherwise required by law, but only to the extent legally required to do so, and (iii) to its advisors, affiliates, auditors, legal counsel and insurers.

14. **No Dedication of Facilities.** Neither the services performed by the Counterparty under this Agreement nor either Party's actions or inactions under this Agreement shall constitute or be construed as a dedication of the systems or assets or the Assets, or any portion thereof, of either Party to the public or to the other Party.
15. **Complete Agreement.** This Agreement is the Parties' complete and final expression of agreement on the subject matter hereof and supersedes all prior agreements, representations, understandings, negotiations, offers and communications, whether oral or written, regarding the subject matter of this Agreement.
16. **Obligations Several / Relationship.** 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 on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement. The relationship of the Parties is that of independent contractor and not that of agent, representative, partner or joint venturer. No fiduciary duty or relationship shall exist between the Parties, and except as expressly provided for herein neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act as or be an agent or representative of, or otherwise bind, the other Party.
17. **No Third Party Beneficiaries.** This Agreement is intended solely for the benefit of the Parties and nothing in this Agreement shall be construed to create any rights in favor of, any duty to or standard of care with reference to, or any liability to any third party, except for the rights of HF Sinclair Related Parties and Counterparty Related Parties who are indemnified and released under Sec. 8.
18. **Authorized Representatives.** Each Party shall designate in writing one or more persons as its authorized representative(s) to act on its behalf in carrying out the provisions of this Agreement. The Parties shall be bound by the oral and written communications, directions, requests, decisions and other actions taken by their respective authorized representative.
19. **Assignments.** Neither Party may assign this Agreement or any right or obligation under this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld. . Any purported assignment in violation of this Sec. 19 shall be void. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.
20. **Notices.** Except as otherwise expressly provided in this Agreement, all notices and other communications to be given or made under this Agreement shall be in writing, shall be addressed as specified below, and shall either be personally delivered or sent by courier, by electronic mail, by registered or certified mail, or by facsimile. Initially, the respective Parties' addresses, electronic mail addresses, and facsimile numbers are:

| If to Counterparty | If to HF Sinclair |
|--|--|
| [Counterparty Name] Address: Attn: Phone: Facsimile: Email: | HF Sinclair Puget Sound Refining LLC Attention: Constance Chan Phone: 214-954-6663 Facsimile: N/A Email: Constance.Chan@hfsinclair.com |
| With a copy to: | With a copy to: |
| [Counterparty Name] Address: Attn: Phone: Facsimile: Email: | HF Sinclair Puget Sound Refining LLC Attention: General Counsel Phone: (214) 871-3555 Facsimile: N/A Email: generalcounsel@hfsinclair.com |

All notices shall be deemed delivered (a) when delivered in person, (b) if received on a Business Day for the receiving Party, when transmitted by facsimile or electronic mail to the receiving Party's facsimile number or electronic mail address specified above and, if received on a day that is not a Business Day for the receiving Party, on the first Business Day

following the date transmitted by facsimile or electronic mail to the receiving Party's facsimile number or electronic mail address specified above, or (c) one day after being delivered to a courier for overnight delivery, addressed to the receiving Party at the address specified above (or such other address as the receiving Party may have specified by written notice delivered to the delivering Party at its address or facsimile number specified above. Any Party may by written notice change the address, electronic mail address, and/or facsimile number to which notices and communications are to be sent.

21. **Severability.** If any provision of this Agreement is held invalid or unenforceable, all other provisions of this Agreement shall not be affected. With respect to a provision held invalid or unenforceable, the Parties shall amend this Agreement as necessary to effect the Parties' original intent as closely as possible.
22. **Control.** If the Counterparty requests, HF Sinclair shall submit a letter of concurrence in support of any affirmative statement by the Counterparty that this contractual arrangement does not transfer "ownership or control of generation capacity" from HF Sinclair to the Counterparty, as the term "ownership or control of generation capacity" is used in 18 CFR §35.42.
23. **NERC Responsibilities.** Counterparty acknowledges that the Counterparty carries out various functions with respect to the bidding, sale, scheduling, dispatch and delivery of energy, capacity and ancillary services and it communicates directly with the control area operators in the WECC if applicable with respect to those functions for the facility(ies) referenced herein. Certain of these functions, or elements of them, are included in the *NERC Reliability Standards applicable to Generator Owners and Generator Operators*. Counterparty shall carry out these specific functions in accordance with the applicable NERC Standards and/or the WECC NERC Region, and this Agreement. If the Counterparty cannot carry out these functions for any reason, the Counterparty will promptly notify HF Sinclair of the situation. Upon reasonable written request from HF Sinclair, the Counterparty shall provide any available records pertaining to these functions in order to help demonstrate HF Sinclair's compliance during any compliance audits. Upon reasonable written request from the Counterparty, HF Sinclair shall provide any available records pertaining to HF Sinclair's performance of functions related to the Counterparty's responsibilities under relevant reliability, transmission provider and/or BPA requirements, in order to help demonstrate compliance during any compliance audits.
24. **Data Privacy.** The parties may provide each other with information related to an identified or identifiable individual, the processing and transfer of which will be done in accordance with applicable data protection law."

To evidence their acceptance of this Agreement, the Parties have caused their authorized representatives to sign below as of the date set forth in the introductory paragraph.

| | |
|---|--|
| <p>[COUNTERPARTY NAME]</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> | <p>HF SINCLAIR PUGET SOUND REFINING LLC</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> |
|---|--|

Exhibit A: Asset(s)

| Facility Name | NERC ID Sink | EIM Res ID | EIM p_node | Location | Fuel |
|-----------------------------------|---------------------|-------------------|-------------------|-----------------|-------------|
| Puget Sound Refinery Cogeneration | PSRC_GEN | TXW_1_UNITS | TXW_1_UNITS-APND | WA | Natural Gas |

| Facility Name | NERC ID Sink | Balancing Authority | Location | Fuel |
|---------------------------|---------------------|----------------------------|-----------------|-------------|
| Puget Sound Refinery Load | EQUILON449 | PSEI | WA | Load |

**EXH. PAH-10C
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: PHILIP A. HAINES**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

**NINTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

PHILIP A. HAINES

ON BEHALF OF PUGET SOUND ENERGY

REDACTED VERSION

FEBRUARY 15, 2024

REDACTED VERSION



To: Ron Roberts
From: Zac Yanez
CC: Tricia Fischer, Phil Haines
Date: 05/31/2023
Re: HF Sinclair Puget Sound Refinery Cogeneration Project

Background

In February 2023 the Energy Management Committee approved a bid in response to HF Sinclair's ("HFS") request for proposal for the sale of the net output of their Puget Sound Refinery Cogeneration project ("PSR Cogen"). PSE submitted [REDACTED] consistent with EMC guidance. In March HFS contacted PSE to request an [REDACTED], Energy Supply presented an [REDACTED] to the EMC which the EMC approved. The approved transaction was submitted to HFS and subsequently selected for final contract negotiation and execution.

The purpose of this memo is to provide an overview of the PSR Cogen contract, document the benefits to PSE portfolio, and show an analysis of how the bid price was developed.

Product Description

HFS initially solicited offers for the net output of the PSR Cogen project for the two year period beginning [REDACTED]. The PSR Cogen project is comprised of three GE Frame 6 gas turbines with a combined capacity of 120 MW plus a 20 MW steam turbine with a total combined name plate of 140 MW. The PSR Cogen project is a qualifying facility under PURPA and provides energy for the Puget Sound Refinery ("PSR") which is a schedule 449 customer. As part of the [REDACTED]

[REDACTED]. Initial estimates, show that PSE expects the project to qualify for approximately [REDACTED] MW of [REDACTED] and to provide about [REDACTED] GWh of generation [REDACTED]. Through negotiations PSE was able to secure this output from [REDACTED]

[REDACTED]. As part of the purchase of net output, PSE also has [REDACTED].

Benefit of the Products

The PSR Cogen project provides three key benefits to PSE. As previously noted it is expected to provide about [REDACTED] MW of capacity and [REDACTED] GWh of energy [REDACTED]. As a qualifying facility under PURPA the net output of the plant also reduces PSE retail load calculation for the purposes of calculating Clean Energy Transition Act ("CETA") energy targets.

**Shaded information is designated as
CONFIDENTIAL per WAC 480-07-160
REDACTED VERSION**

PSE faces significant capacity needs during the term of this contract. As presented to the EMC in February and March, PSE has a resource adequacy need of [REDACTED] for the 2023-2024 and 2024-2025 winter periods. This contract is expected to reduce that need by up to [REDACTED] MW.

In addition to PSE's Capacity need, PSE also has a need for resources to help fill the interim CETA target of 63% of retail load by 2025. As shown in Figure 1 below, as a PURPA resource, the net output of the project reduces PSE need for CETA resources by [REDACTED] GWh in 2025. This will help PSE get closer to meeting the 2025 interim target. Based on broker quotes at the time of evaluation, an equivalent amount of [REDACTED] would cost about \$ [REDACTED].

Figure 1 Draft 2021 CETA Need

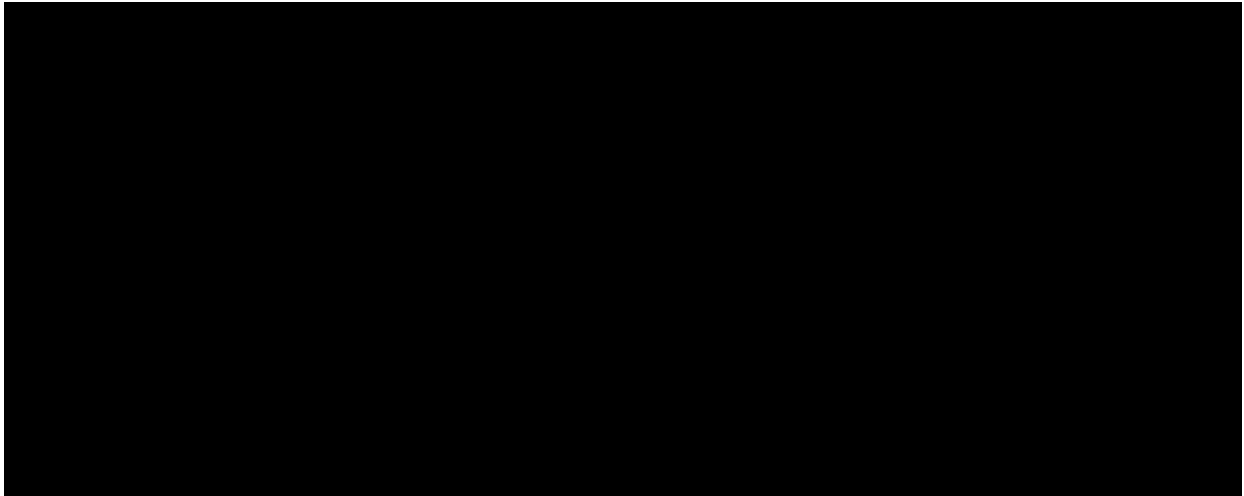
Figure 1

| CETA Benefit | Current Position | Current Position + PSR Cogen | |
|-------------------------|------------------|------------------------------|--|
| CETA interim target | 63% | 63% | |
| Adjusted load (23 EPR) | | | |
| CETA load adjustments* | | | |
| PSR Cogen (New PURPA) | | | |
| CETA Retail Load | | | |
| [REDACTED] | | | |
| Existing CETA resources | | | |
| CETA surplus/(deficit) | | | |
| * | | | |

Valuation Analysis

Energy Supply estimates that the product has a value to PSE's portfolio of about \$ [REDACTED] to \$ [REDACTED] as of 02/07/23 (the time the initial analysis for the EMC was conducted). This estimate is based on a valuation methodology that accounted for various price components including the [REDACTED]
[REDACTED]
[REDACTED]. Figure 2 below provides a summary of the original valuation as well as the modified [REDACTED] finally accepted by HFS.

Figure 2



Proposed Offer Price

Energy Supply was able to negotiate the following pricing terms:

Net Output Sale from HSF to PSE:

Energy: [REDACTED]

[REDACTED]

Capacity: [REDACTED]

\$ [REDACTED] /KW-month

Conclusion

PSE has clear and well documented capacity and CETA resource needs. The purchase of the net output of the PSR Cogen project will contribute up to [REDACTED] MW of capacity, the equivalent of [REDACTED] GWh of CETA resources, and reduce the amount of short term market purchases by up to [REDACTED] GWh [REDACTED] PSE was able to [REDACTED]

[REDACTED] The pricing structure aligns HFS dispatch decision with PSE's capacity needs by providing a known [REDACTED]
[REDACTED]

**EXH. PAH-11C
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: PHILIP A. HAINES**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

**TENTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

PHILIP A. HAINES

ON BEHALF OF PUGET SOUND ENERGY

REDACTED VERSION

FEBRUARY 15, 2024

REDACTED VERSION



MASTER POWER PURCHASE AND SALE AGREEMENT
TRANSACTION CONFIRMATION

^{DS} TG ^{DS} RR (Sale of Net Output of PSRC by HF Sinclair)

This Transaction Confirmation (this "**Confirmation**") is effective as of June 1 2023 (the "**Effective Date**") by and between HF Sinclair Puget Sound Refinery LLC (the "**Seller**" or "**HF Sinclair**") and Puget Sound Energy, Inc. (the "**Buyer**" or "**PSE**") (each of HF Sinclair and PSE a "**Party**" and collectively, the "**Parties**") regarding the sale and purchase of Net Output of the PSRC as described below between HF Sinclair and PSE under the following terms and conditions:

1. **Product:** Net Output (as defined in this paragraph) of the PSRC (as defined in this paragraph). "**Net Output**" means all energy and capacity produced by HF Sinclair's Puget Sound Refinery Cogeneration Facility (formerly known as the March Point Cogeneration Facility) (the "**PSRC**") located in Anacortes, Washington (the "**Gross Output**"), less any output generated by the PSRC and nominated by HF Sinclair, and scheduled and tagged by PSE, to satisfy the anticipated electricity demand for HF Sinclair's Puget Sound Refinery (the "**PSR**") located in Anacortes, Washington ("**PSR Volumes**"). The PSRC is a 140 MW cogeneration facility consisting of three gas turbine units of 40 MW each and one 20 MW steam turbine generator.

2. **Term of Confirmation:** [REDACTED] (the "**Term**").

3. **Contract Quantity:** Net Output of the PSRC (up to 140 MW).

4. **Contract Payments:**

[REDACTED]

(b) **Capacity.** For any given calendar month during the Term, the product of (i) \$ [REDACTED] per kilowatt-month [REDACTED].

(c) The Parties acknowledge that the PSRC is a qualifying facility as defined by the Public Utility Regulatory Policies Act of 1978 ("PURPA"), and that payments set forth in this section is a negotiated market based rate determined by mutual agreement, which may differ from the rate which would otherwise be required by PURPA.

5. **Delivery Point:** [REDACTED]

REDACTED VERSION



REDACTED VERSION

6. PSRC Operation: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

7. Scheduling Procedures/Delivery:

(a) Information Technology Setup. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(b) Information for Schedules [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]. Specifically, HF Sinclair shall provide PSE with the following:

[REDACTED]

(d) Preschedule Day. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

REDACTED VERSION

[REDACTED]

(e) Curtailed. [REDACTED]

[REDACTED]

REDACTED VERSION

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HF Sinclair Sell

(f) Resolution of Discrepancies. [REDACTED]

(g) Excused Performance. Each Party (the "*Excused Party*") [REDACTED]

8. PSE Tariff Requirements [REDACTED]

9. WECC and PSE Energy Scheduling: All energy scheduling shall be performed consistent with all applicable WECC scheduling practices, the scheduling practices of the Transmission Provider, and any other mutually agreed to scheduling and/or communication protocols.

10. Suspension of Performance. [REDACTED]

11. Billing and Payment: [REDACTED]

(a) Section 6.1 of the Master Agreement (as hereinafter defined) shall be amended in its entirety, solely for the purpose of this Confirmation, to read as follows :

6.1 Billing Period. [REDACTED]

REDACTED VERSION

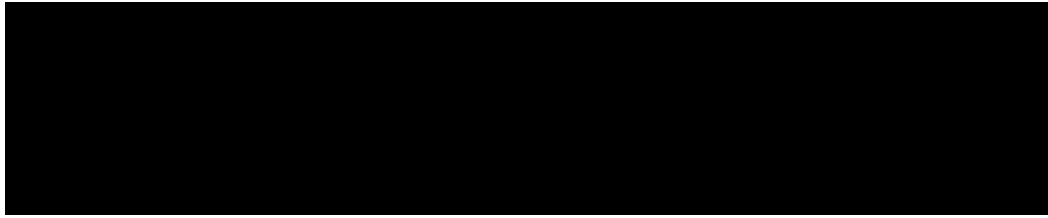


(b) Section 6.2 of the Master Agreement (as hereinafter defined) shall be amended in its entirety, solely for the purpose of this Confirmation, to read as follows:

6.2 Billing Adjustment.



REDACTED VERSION

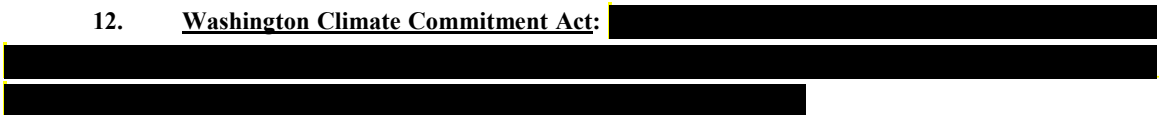


(c) Section 6.4 of the Master Agreement (as hereinafter defined) shall be amended in its entirety, solely for the purpose of this Confirmation, to read as follows:

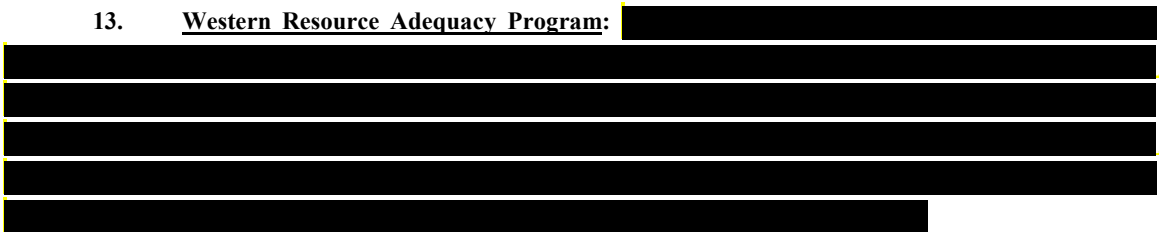
6.4 Netting of Payments.



12. Washington Climate Commitment Act:



13. Western Resource Adequacy Program:



14. Qualifying Facility Status and Permits

(a) HF Sinclair represents and warrants that as of the Effective Date and continuing until termination or expiration of the Term, the PSRC shall operate as a qualifying cogeneration facility pursuant to, and shall comply with requirements of FERC (18 Code of Federal Regulations Part 292) ("**QF Requirements**") and the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Sections 796, *et seq.*).

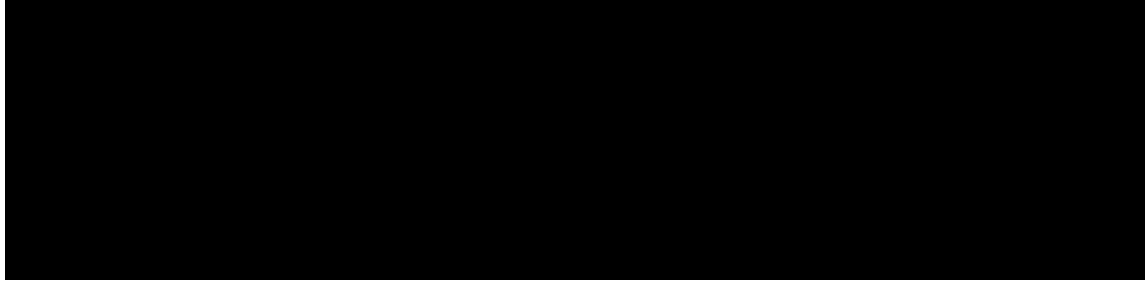
(b) If at any time during the Term, HF Sinclair becomes aware that the PSRC has ceased to meet the QF Requirements,



(c)





REDACTED VERSION

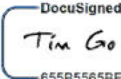


HF Sinclair Sell

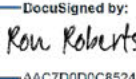
15. **Notices:** Notices between the Parties pursuant to this Confirmation shall be made in accordance with the notice provisions in the Master Agreement (as hereinafter defined).

16. **Master Agreement:** This Confirmation is being provided to and in accordance with the Master Power Purchase and Sale Agreement between the Parties dated June 1, 2023, along with any amendments and annexes thereto (the "**Master Agreement**"). Capitalized terms not otherwise defined in this Confirmation have the meanings specified in the Master Agreement. If the terms and conditions of this Confirmation are in conflict with the Master Agreement, the terms and conditions of this Confirmation shall govern the rights and obligations of the Parties.

"HF Sinclair":
Refining  
HF Sinclair Puget Sound Refinery LLC

DocuSigned by:

By: _____
Name: Tim Go
Title: President and COO
Date: May 26, 2023 | 13:55 CDT

"PSE":
Puget Sound Energy, Inc.

DocuSigned by:

By: _____
Name: Ron Roberts
Title: Vice President, Energy Supply
Date: June 1, 2023

REDACTED VERSION

DocuSign Envelope ID: 84764427-C380-4E73-B0DD-FAD23F20DF44

HF Sinclair Buy



**MASTER POWER PURCHASE AND SALE AGREEMENT
TRANSACTION CONFIRMATION
(Mid-C Hub Sale by PSE)**

DS TG DS RR

This Transaction Confirmation (this "*Confirmation*") is effective as of June 1, 2023 (the "*Effective Date*") by and between HF Sinclair Puget Sound Refinery LLC (the "*Buyer*" or "*HF Sinclair*") and Puget Sound Energy, Inc. (the "*Seller*" or "*PSE*") (each of HF Sinclair and PSE a "*Party*" and collectively, the "*Parties*") regarding the sale and purchase of Incremental Product as described below between HF Sinclair and PSE under the following terms and conditions:

1. **Product:** [REDACTED]

2. **Term of Confirmation:** [REDACTED] (the "*Term*").

3. **Contract Quantity:** The amount of Incremental Product energy in MWh delivered by PSE to HF Sinclair for consumption and use at the PSR. PSE shall deliver Incremental Product, up to [REDACTED] MW per hour, in the amount determined by HF Sinclair and arranged and scheduled by PSE based on HF Sinclair's nomination in accordance with the Scheduling Procedures set forth below.

4. **Contract Price:**
4.1 **Incremental Product Pre-Schedule Pursuant to Section 6(b)(2):** The price for Incremental Product pre-scheduled pursuant to section 6(b)(2) of this Confirmation [REDACTED]

4.2 **Incremental Product Not Pre-Scheduled Pursuant to Section 6(b)(2):** [REDACTED] (b)
\$ [REDACTED] /MWh.

4.3 **Separate Confirmation for PSE Purchase of Net Output of the PSRC.** The Parties acknowledge the separate confirmation entered into by them on even date herewith for (i) the nomination by HF Sinclair, and the schedule and tag by PSE, of output generated by the PSRC to serve the PSR, and (ii) the sale by HF Sinclair, and purchase by PSE, of any output generated by the PSRC in excess of the amount necessary to serve the PSR.

5. **Delivery Point:** The point of interconnection at the Rocky Reach Substation at which the transmission system of PSE interconnects with the transmission system of Public Utility District No. 1 of Chelan County, Washington (the "*Delivery Point*"). HF Sinclair is responsible for nominating, and PSE is responsible for scheduling and tagging, Incremental Product for transmission from the Delivery Point to the PSR under the Network Integration Transmission Service rights of HF Sinclair pursuant to the terms and conditions of (i) the Network Integration Transmission Service Agreement by and between PSE and HF Sinclair, Original Service Agreement

No. 1023 (the “*NITSA*”), (ii) the Network Operating Agreement by and between PSE and HF Sinclair, Original Service Agreement No. 1024 (the “*NOA*”), and (iii) any successor or replacement agreement or agreements to the *NITSA* or the *NOA*.

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HF Sinclair Buy

6. Scheduling Procedures/Delivery:

(a) Information Technology Setup. [REDACTED]

(b) Information for Schedules. [REDACTED]

[REDACTED]. Specifically, HF Sinclair shall provide PSE with the following:

(1) [REDACTED]

(2) [REDACTED]

(3) [REDACTED]

(4) [REDACTED]

(c) Contact List. HF Sinclair shall provide PSE with a 24-hour emergency contact list.

(d) Preschedule Day. [REDACTED]

(d) Realtime Day. [REDACTED]

(e) Curtailement. [REDACTED]

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[REDACTED]

(f) Resolution of Discrepancies. [REDACTED]

[REDACTED]

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HF Sinclair Buy

[REDACTED]

(g) Excused Performance. [REDACTED]

7. PSE Tariff Requirements: [REDACTED]

8. WECC and PSE Energy Scheduling: All energy scheduling shall be performed consistent with all applicable WECC scheduling practices, the scheduling practices of the Transmission Provider, and any other mutually agreed to scheduling and/or communication protocols.

9. Billing and Payment:

(a) For Energy: [REDACTED]

(i) Section 6.1 of the Master Agreement (as hereinafter defined) shall be amended in its entirety, solely for the purpose of this Confirmation, to read as follows:

6.1 Billing Period. [REDACTED]

(a) [REDACTED], and

(b) [REDACTED]

(ii) Section 6.2 of the Master Agreement (as hereinafter defined) shall be amended in its entirety, solely for the purpose of this Confirmation, to read as follows:

6.2 Billing Adjustment. [REDACTED]

REDACTED VERSION

[REDACTED]

(iii) Section 6.4 of the Master Agreement (as hereinafter defined) shall be amended in its entirety, solely for the purpose of this Confirmation, to read as follows:

6.4 Netting of Payments. [REDACTED]

[REDACTED]

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HF Sinclair Buy

[Redacted]

[Redacted]. Nothing in this Section 6.4 shall limit any Party's rights under applicable tariff schedules.

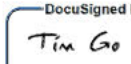
10. **Washington Climate Commitment Act:** [Redacted]

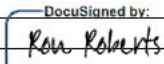
11. **Notices:** Notices between the Parties pursuant to this Confirmation shall be made in accordance with the notice provisions in the Master Agreement (as hereinafter defined).

12. **Master Agreement:** This Confirmation is being provided to and in accordance with the Master Power Purchase and Sale Agreement between the Parties dated June 1, 2023, along with any amendments and annexes thereto (the "**Master Agreement**"). Capitalized terms not otherwise defined in this Confirmation have the meanings specified in the Master Agreement. If the terms and conditions of this Confirmation are in conflict with the Master Agreement, the terms and conditions of this Confirmation shall govern the rights and obligations of the Parties.

"HF Sinclair":
Refining  
HF Sinclair Puget Sound Refinery LLC

"PSE":
Puget Sound Energy, Inc.

DocuSigned by:

By: _____
Name: Tim Go
Title: President and COO
Date: May 26, 2023 | 13:55 CDT

DocuSigned by:

By: _____
Name: Ron Roberts
Title: Vice President, Energy Supply
Date: June 1, 2023

Master Power Purchase & Sale Agreement



Version 2.1 (modified 4/25/00)

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MASTER POWER PURCHASE AND SALES AGREEMENT

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MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* (“*Master Agreement*”) is made as of the following date: June 1, 2023 (“Effective Date”). The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement.” The Parties to this *Master Agreement* are the following:

TG RR Refining

Name: **HF Sinclair Puget Sound Refinery LLC** (“HF Sinclair” or “Party A”)

Name: **Puget Sound Energy, Inc.** (“PSE” or “Party B”)

All Notices:

Street: 2828 N. Harwood Street Ste 1300
City: Dallas, TX Zip: 75201
Attn: General Counsel
Phone: 214-871-3555
Email: GeneralCounsel@hfsinclair.com
Duns: 11-870-7834
Federal Tax ID Number: 86-3686178

All Notices:

Street: P.O. Box 97034
City: Bellevue, WA Zip: 98009
Attn: Vice President, Energy Supply
Phone: 425-456-2442
Email: Ron.Roberts@pse.com

With a copy to:

Attn: General Counsel
Phone: 425-462-3031
Email: Lorna.Luebbe@pse.com

Duns:
Federal Tax ID Number: 91-0374630

Invoices:

Attn: Accounts Payable - PSR
Phone:
Email: Accounts.Payable-PSR@HFSinclair.com

Invoices:

Attn: Christina Wu
Phone: 425-457-5551
Email: Electricinvoices@pse.com

Payments:

Attn: Accounts Receivable
Phone:
Email: AR_Billing@HFSinclair.com

Payments:

Attn: Christina Wu
Phone: 425-457-5551
Email: Electricsettlements@pse.com

Wire Transfer:

BNK: Bank of America (Dallas, TX)
ABA: 026009593
ACCT: 4426325970 (Beneficiary: HF Sinclair Refining & Marketing LLC)

Wire Transfer:

BNK: Key Bank
ABA: 125000574
ACCT: 479681024630 (BNF: Puget Sound Energy, OBI: Purpose of payment)

Credit and Collections:

Attn:
Phone:
Email:

Credit and Collections:

Attn: Hailing Huang
Phone: 425-456-28664
Email: Hailing.Huang@pse.com

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With additional Notices of an Event of Default or
Potential Event of Default to:

Attn: Constance Chan
Phone: 214-954-6663
Email: Constance.Chan@hfsinclair.com

With additional Notices of an Event of Default or
Potential Event of Default to:

Attn: Art Francis
Phone: 425-462-3058
Email: Art.Francis@pse.com

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff MBR Tariff 2.0.0 Dated 11/30/2022 Docket Number ER23-502-000

Party B Tariff Tariff MBR Tariff Vol 8 Dated 10/11/2022 Docket Number ER22-2649-000



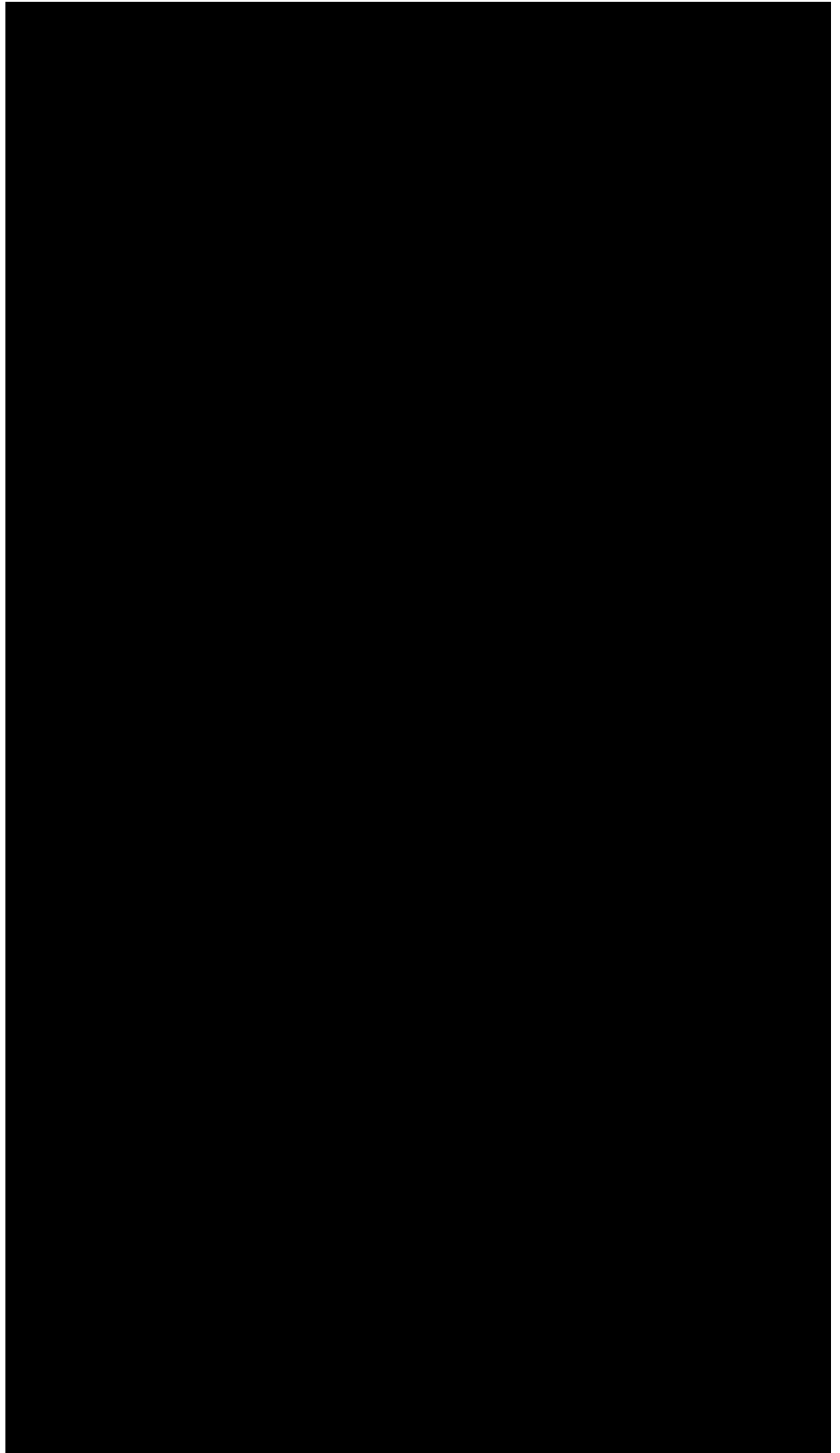
Cross Default Amount N/A

Cross Default Amount N/A

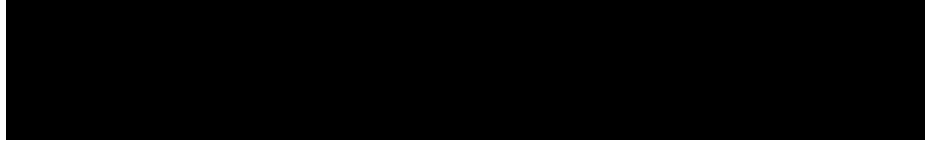
Cross Default Amount N/A

Cross Default Amount N/A

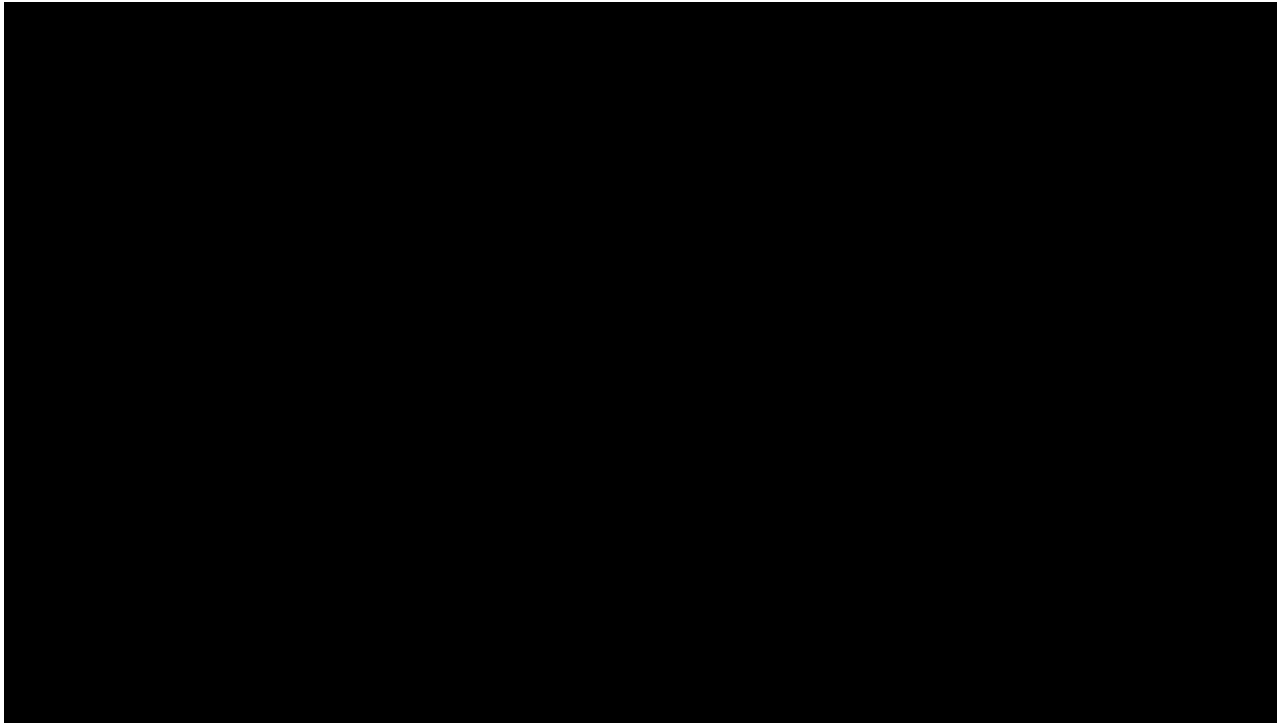
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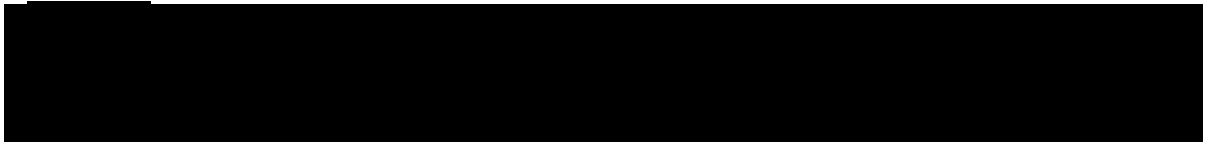


Guarantee Amount: \$ [REDACTED] USD.

Article 10

Confidentiality [REDACTED]

Schedule M



Other Changes

Specify, if any: _____

1.1 [REDACTED]



IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Refining
HF Sinclair Puget Sound Refinery LLC
By: Tim Go
Name: Tim Go
Title: President and COO

May 26, 2023 | 13:55 CDT

Puget Sound Energy, Inc.
By: Ron Roberts
Name: Ron Roberts
Title: Vice President, Energy Supply

May 26, 2023 | 13:07 PDT

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

1.1 “Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.2 “Agreement” has the meaning set forth in the Cover Sheet.

1.3 “Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

1.4 “BSAP” means Base Schedule Aggregate Portal.

1.5 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 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.

1.6 “Buyer” means the Party to a Transaction that is obligated to purchase and receive, or cause to be received, the Product, as specified in the Transaction.

1.7 “Call Option” means an Option entitling, but not obligating, the Option Buyer to purchase and receive the Product from the Option Seller at a price equal to the Strike Price for the Delivery Period for which the Option may be exercised, all as specified in the Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to sell and deliver the Product for the Delivery Period for which the Option has been exercised.

1.8 “Claiming Party” has the meaning set forth in Section 3.3.

1.9 “Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ 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.

1.10 “Confirmation” has the meaning set forth in Section 2.3.

REDACTED VERSION

1.11 “Contract Price” means the price in \$U.S. (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in the Transaction.

1.12

[REDACTED]

1.13

[REDACTED]

1.14 “Cross Default Amount” means the cross default amount, if any, set forth in the Cover Sheet for a Party.

1.15 “Defaulting Party” has the meaning set forth in Section 5.1.

1.16 “Delivery Period” means the period of delivery for a Transaction, as specified in the Transaction.

1.17 “Delivery Point” means the point at which the Product will be delivered and received, as specified in the Transaction.

1.18 “Downgrade Event” has the meaning set forth on the Cover Sheet.

1.19 “Early Termination Date” has the meaning set forth in Section 5.2.

1.20 “Effective Date” has the meaning set forth on the Cover Sheet.

1.21 “Electric Schedule 80” means the version of PSE’s Electric Schedule 80 as filed and approved by the WUTC and appended to the Confirmation.

1.22 “Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.23 “Event of Default” has the meaning set forth in Section 5.1.

1.24 “FERC” means the Federal Energy Regulatory Commission or any successor government agency.

1.25 “Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control

REDACTED VERSION

of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer's markets; (ii) Buyer's inability economically to use or resell the Product purchased hereunder; (iii) the loss or failure of Seller's supply; or (iv) Seller's ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. The applicability of Force Majeure to the Transaction is governed by the terms of the Products and Related Definitions contained in Schedule P.

126

[REDACTED]

127 "Generating Facility" or "PSRC" means HF Sinclair's Puget Sound Refinery Cogeneration Facility located on March Point near Anacortes, Washington, and consisting of three (3) gas turbine units of forty (40) MW each and one (1) MW steam turbine generator, together with all protective and other associated equipment and improvements owned, maintained, and operated by HF Sinclair, which are necessary to produce the electrical power to be delivered under this Agreement, excluding associated land, land rights, and interests in land.

128 "Guarantor" means, with respect to a Party, the guarantor, if any, specified for such Party on the Cover Sheet.

129

[REDACTED]

130

[REDACTED]

131

[REDACTED]

REDACTED VERSION



REDACTED VERSION

132

133 “Master Agreement” has the meaning set forth on the Cover Sheet.

134

135 “NERC Business Day” means any day except a Saturday, Sunday or a holiday as defined by the North American Electric Reliability Council or any successor organization thereto. A NERC Business Day shall open at 8:00 a.m. and close at 5:00 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.

136 “Net Generating Capacity” means the Generating Facility’s gross generating capacity less the sum of (i) the amount required for station use (as such requirement may change from time to time) plus (ii) the amount committed to supply electrical demand of the Puget Sound Refinery.

137 “Network Integration Transmission Service” or “NITS” has the meaning ascribed to such term in the Transmission Provider OATT.

138 “Non-Defaulting Party” has the meaning set forth in Section 5.2.

139

140 “Open Access Same-Time Information System” or “OASIS” has the meaning ascribed to such term in the Transmission Provider OATT.

141 “Option” means the right but not the obligation to purchase or sell a Product as specified in a Transaction.

142 “Option Buyer” means the Party specified in a Transaction as the purchaser of an option, as defined in Schedule P.

143 “Option Seller” means the Party specified in a Transaction as the seller of an option, as defined in Schedule P.

144 “Parties” means Party A and Party B, collectively.

145 “Party A Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party A.

REDACTED VERSION

146 “Party B Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party B.

147 “Party A Independent Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

148 “Party B Independent Amount” means the amount , if any, set forth in the Cover Sheet for Party B.

149 “Party A Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

150 “Party B Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

151 “Party A Tariff” means the tariff, if any, specified in the Cover Sheet for Party A.

152 “Party B Tariff” means the tariff, if any, specified in the Cover Sheet for Party B.

153

154 “Potential Event of Default” means an event which, with notice or passage of time or both, would constitute an Event of Default.

155 “Preschedule Day” means the industry standard (in the WECC) day for the scheduling of energy for a subsequent day or days. The current industry standard Preschedule Day timetable in the WECC is as follows:

- (1) Monday – Preschedule Day for Tuesday;
- (2) Tuesday – Preschedule Day for Wednesday;
- (3) Wednesday – Preschedule Day for Thursday;
- (4) Thursday – Preschedule Day for Friday and Saturday; and
- (5) Friday – Preschedule Day for Sunday and Monday

Exceptions to this standard Monday through Friday Preschedule Day timetable are presently set forth by the WECC in order to accommodate holidays, monthly transitions and other events. Exceptions are posted on the WECC website (www.wecc.org) under the document titled, “Preschedule Calendar.”

156

REDACTED VERSION

1.57 “Prudent Utility Practice” means those practices, methods and acts which: (i) when engaged in are commonly used in prudent engineering and operations to operate electric equipment and associated mechanical and civil facilities lawfully and with safety, reliability, efficiency and expedition or (ii) in the exercise of reasonable judgment considering the facts known when engaged in, could have been reasonably expected to achieve the desired result consistent with applicable law, safety, reliability, efficiency and expedition. Prudent Utility Practice is not intended to be the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of commonly used practices, methods or acts.

1.58 “PSE’s Electric System Integrity” means the state of operation of PSE’s electric system in a manner which is deemed to minimize the risk of injury to persons and/or property and enables PSE to provide adequate and reliable electric service to its customers. All relays, meters, power circuit breakers, synchronizers, and other control devices as shall be agreed to by the Parties in accordance with the requirements of PSE as necessary for proper and safe operation of the Generating Facility in parallel with PSE’s electric system.

1.59 “Puget Sound Refinery” or “PSR” means HF Sinclair’s oil refinery located on March Point near Anacortes, Washington, with a capacity of one hundred forty-five thousand (145,000) barrels per day and facilities that include a delayed coker, fluid catalytic cracker, polymerization unit and alkylation units.

1.60 “Put Option” means an Option entitling, but not obligating, the Option Buyer to sell and deliver the Product to the Option Seller at a price equal to the Strike Price for the Delivery Period for which the option may be exercised, all as specified in a Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to purchase and receive the Product.

1.61 “Quantity” means that quantity of the Product that Seller agrees to make available or sell and deliver, or cause to be delivered, to Buyer, and that Buyer agrees to purchase and receive, or cause to be received, from Seller as specified in the Transaction.

1.62 “Realtime Day” means the industry standard (in the WECC) day for the scheduling of energy for the operating day.

1.63 “Recording” has the meaning set forth in Section 2.5.

1.64

[REDACTED]

REDACTED VERSION



REDACTED VERSION

[REDACTED]

1.65 [REDACTED]

1.66 [REDACTED]

1.67 “Schedule” or “Scheduling” means the actions of Seller, Buyer and/or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered on any given day or days during the Delivery Period at a specified Delivery Point.

1.68 “Seller” means the Party to a Transaction that is obligated to sell and deliver, or cause to be delivered, the Product, as specified in the Transaction.

1.69 [REDACTED]

1.70 [REDACTED]

1.71 “Terminated Transaction” has the meaning set forth in Section 5.2.

1.72 “Termination Payment” has the meaning set forth in Section 5.3.

1.73 “Transaction” means a particular transaction agreed to in writing by the Parties relating to the sale and purchase of a Product pursuant to this Master Agreement.

1.74 “Transmission Provider” means any entity or entities transmitting or transporting

the Product on behalf of Seller or Buyer to or from the Delivery Point in a particular Transaction.

1.75 “Transmission Provider OATT” means the Open Access Transmission Tariff, Open Access Transmission and Energy Markets Tariff, or any other tariff of general applicability on file at the FERC under which the Transmission Provider offers transmission service.

1.76 “WECC” means the Western Electricity Coordinating Council.

1.77 “WUTC” means the Washington Utilities & Transportation Commission or its successor in interest.

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS

21 Transactions. [REDACTED]

[REDACTED]

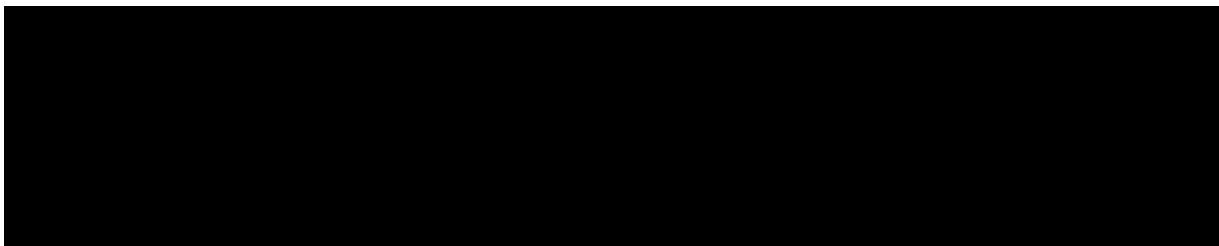
22 Governing Terms. Unless otherwise specifically agreed, each Transaction between the Parties shall be governed by [REDACTED]

[REDACTED]

[REDACTED]

24 Additional Confirmation Terms. [REDACTED]

REDACTED VERSION



REDACTED VERSION

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[REDACTED]

25 Recording.

[REDACTED]

26 No Oral Agreements or Modifications.

[REDACTED]

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1 Seller's and Buyer's Obligations.

[REDACTED]

3.2 Transmission and Scheduling.

[REDACTED]

REDACTED VERSION



33 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under the Transaction and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then,

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unless the terms of the Product specify otherwise, the Claiming Party shall be excused from the performance of its obligations with respect to such Transaction (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

ARTICLE FOUR: REMEDIES FOR FAILURE TO DELIVER/RECEIVE

4.1 Seller Failure

[REDACTED]

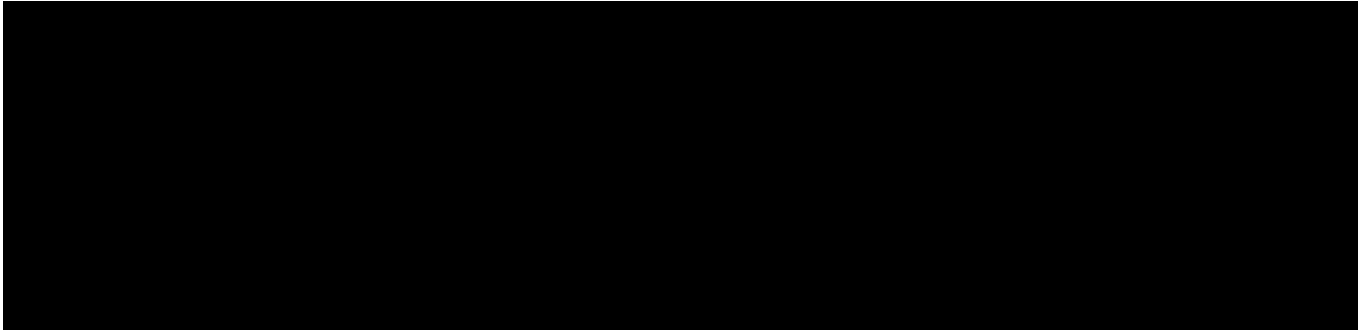
4.2 Buyer Failure

[REDACTED]

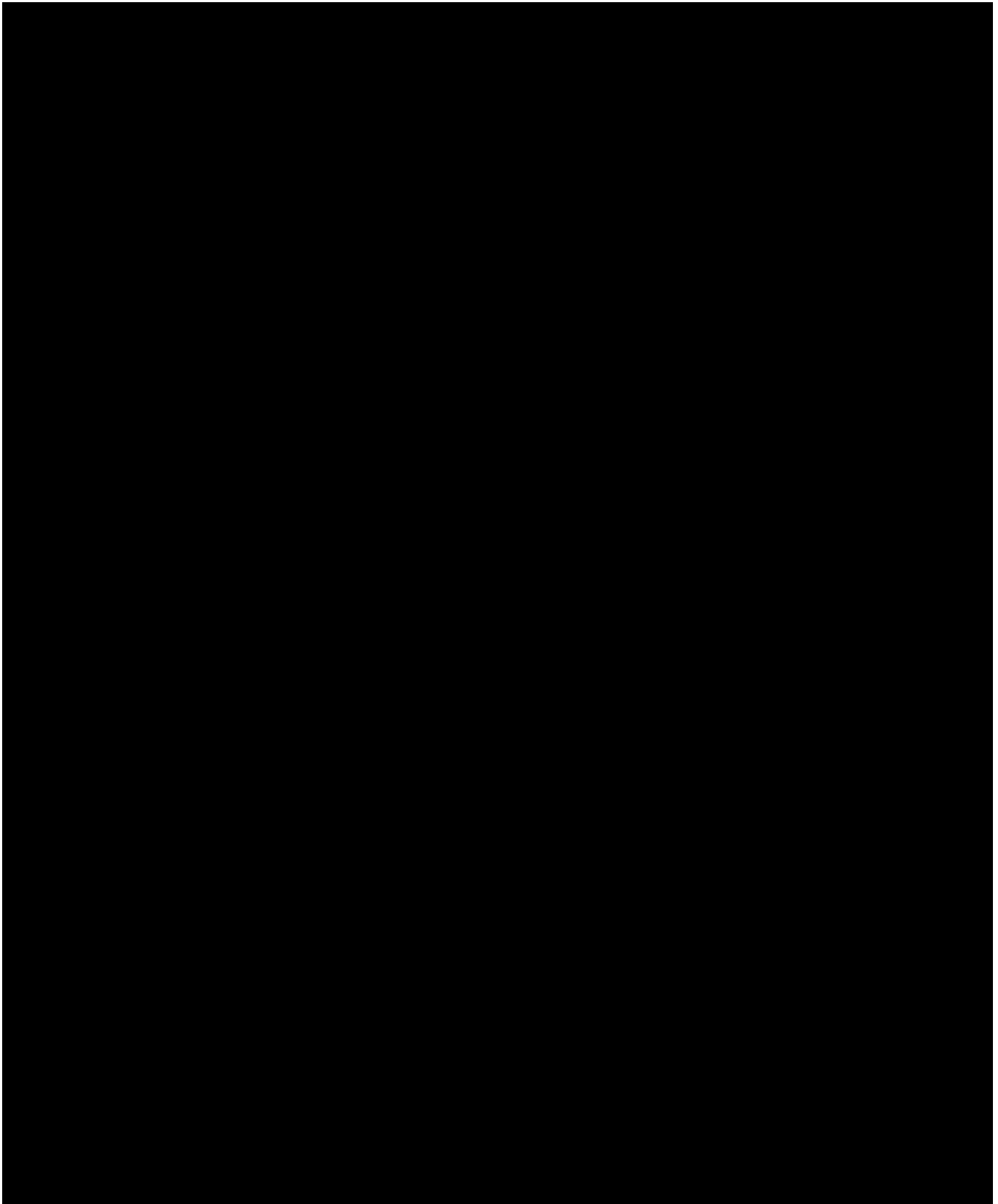
ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

[REDACTED]

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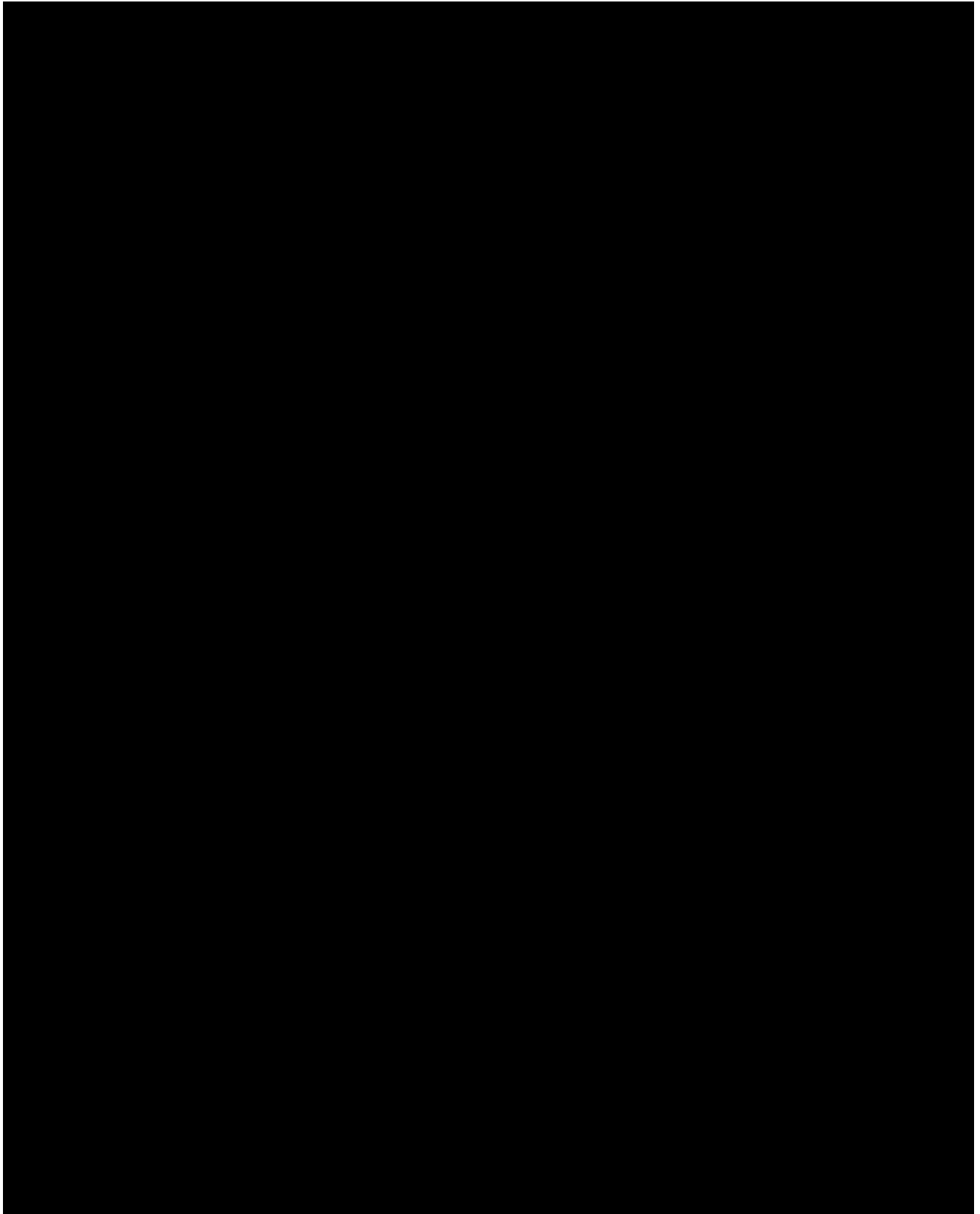
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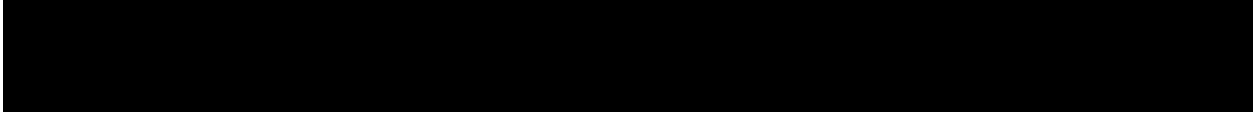
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[Redacted]

5.5

[Redacted]

5.6

[Redacted]

[Redacted]

[Redacted]

[Redacted]

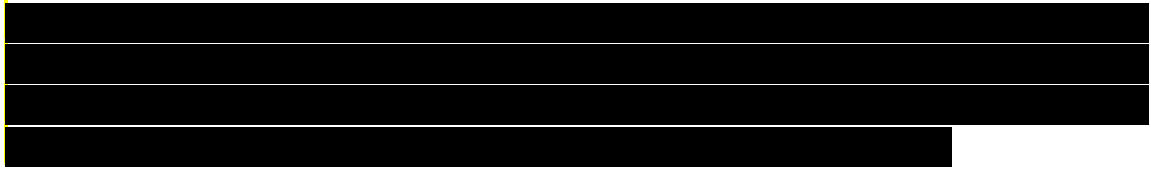
Option C

[Redacted]

5.7

[Redacted]

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ARTICLE SIX: PAYMENT AND NETTING

6.1 Billing Period.

[REDACTED]

6.2 Timeliness of Payment.

[REDACTED]

6.3 Disputes and Adjustments of Invoices.

[REDACTED]

6.4 Netting of Payments.

[REDACTED]

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6.5 Payment Obligation Absent Netting.

[REDACTED]

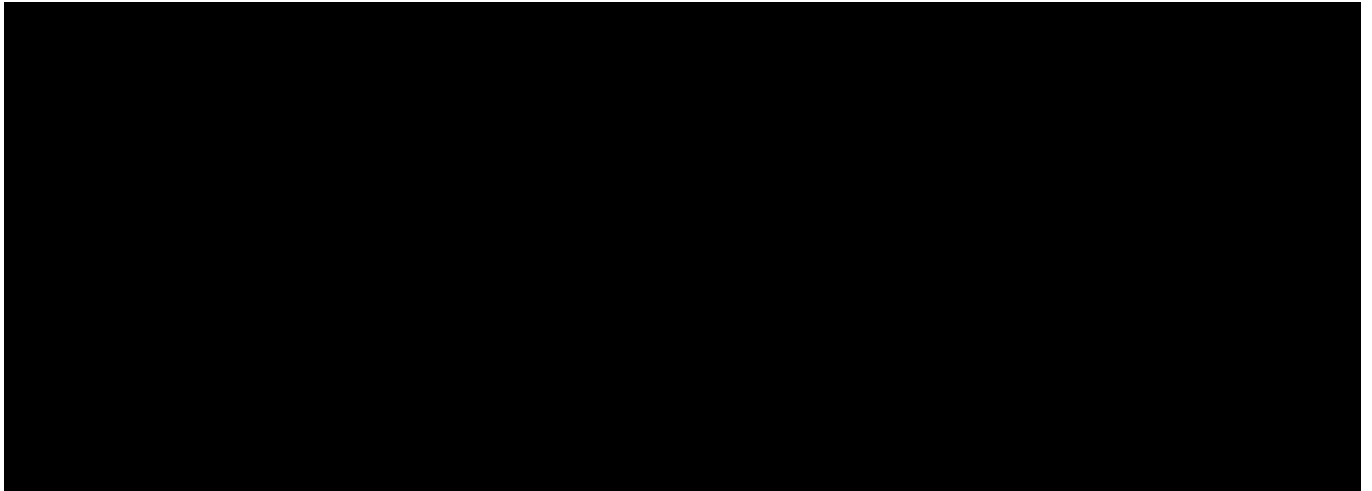
ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages.

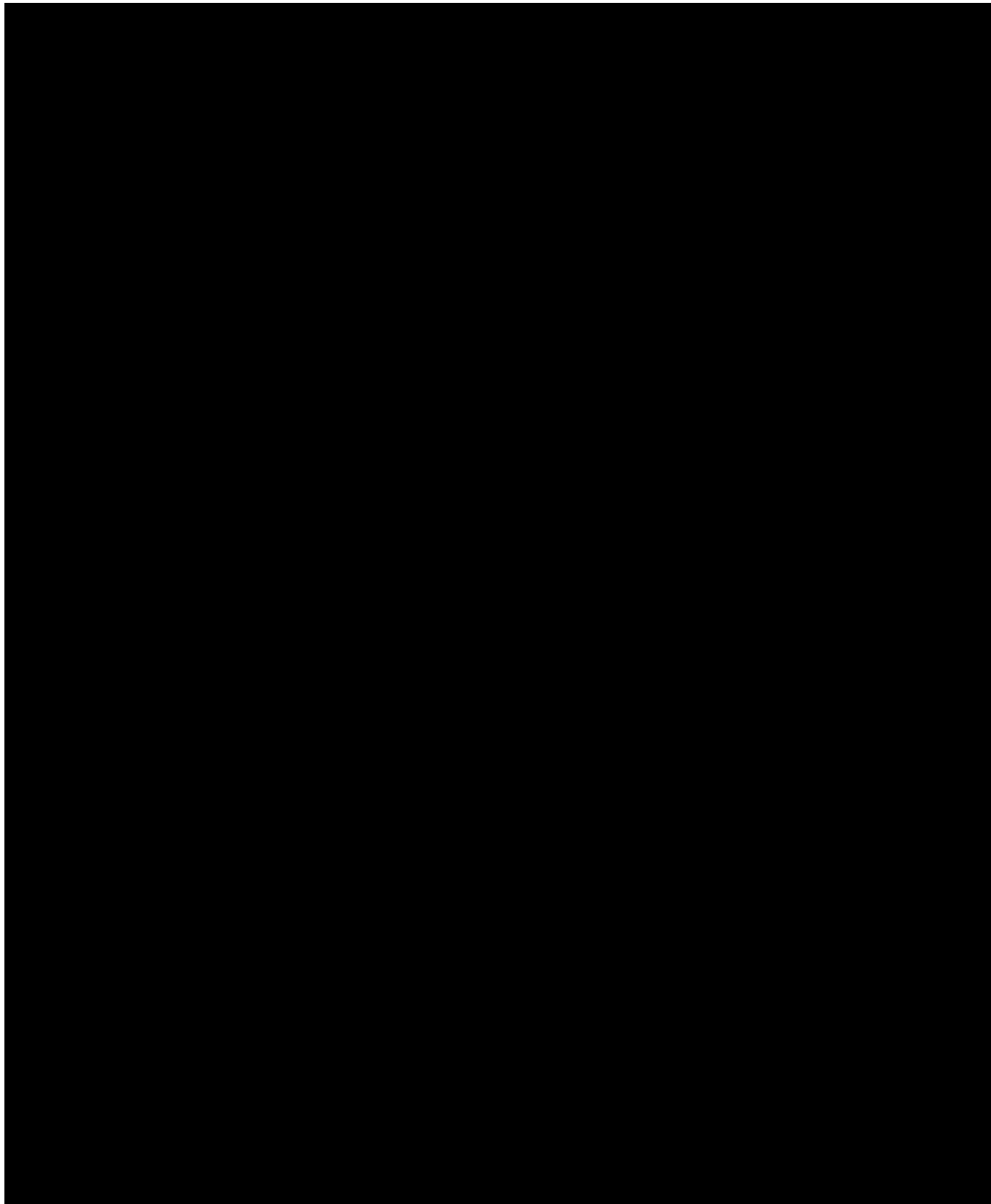
[REDACTED]

[REDACTED]

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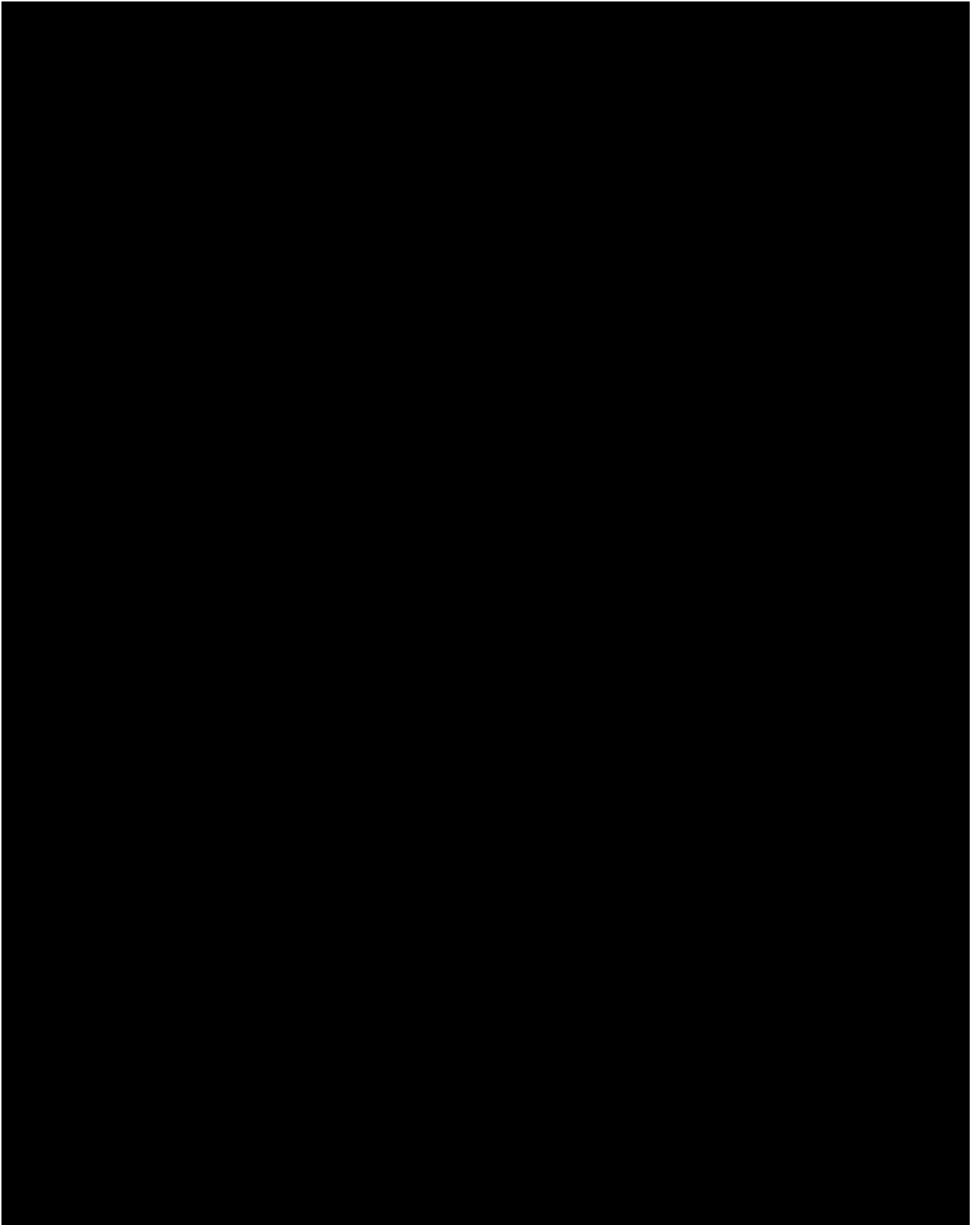
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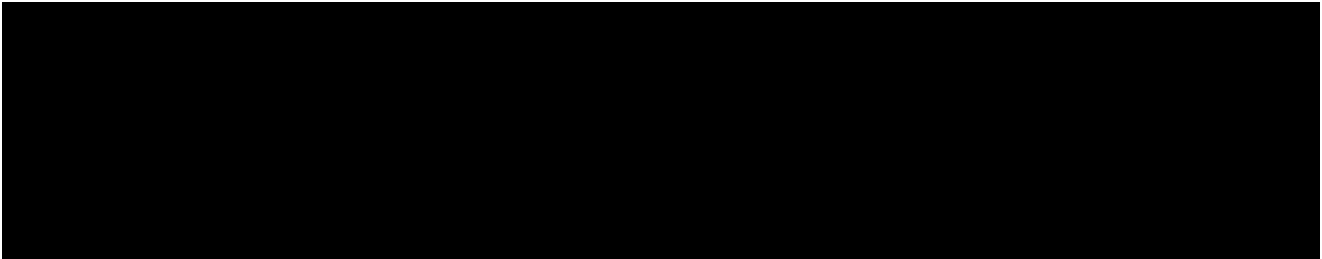
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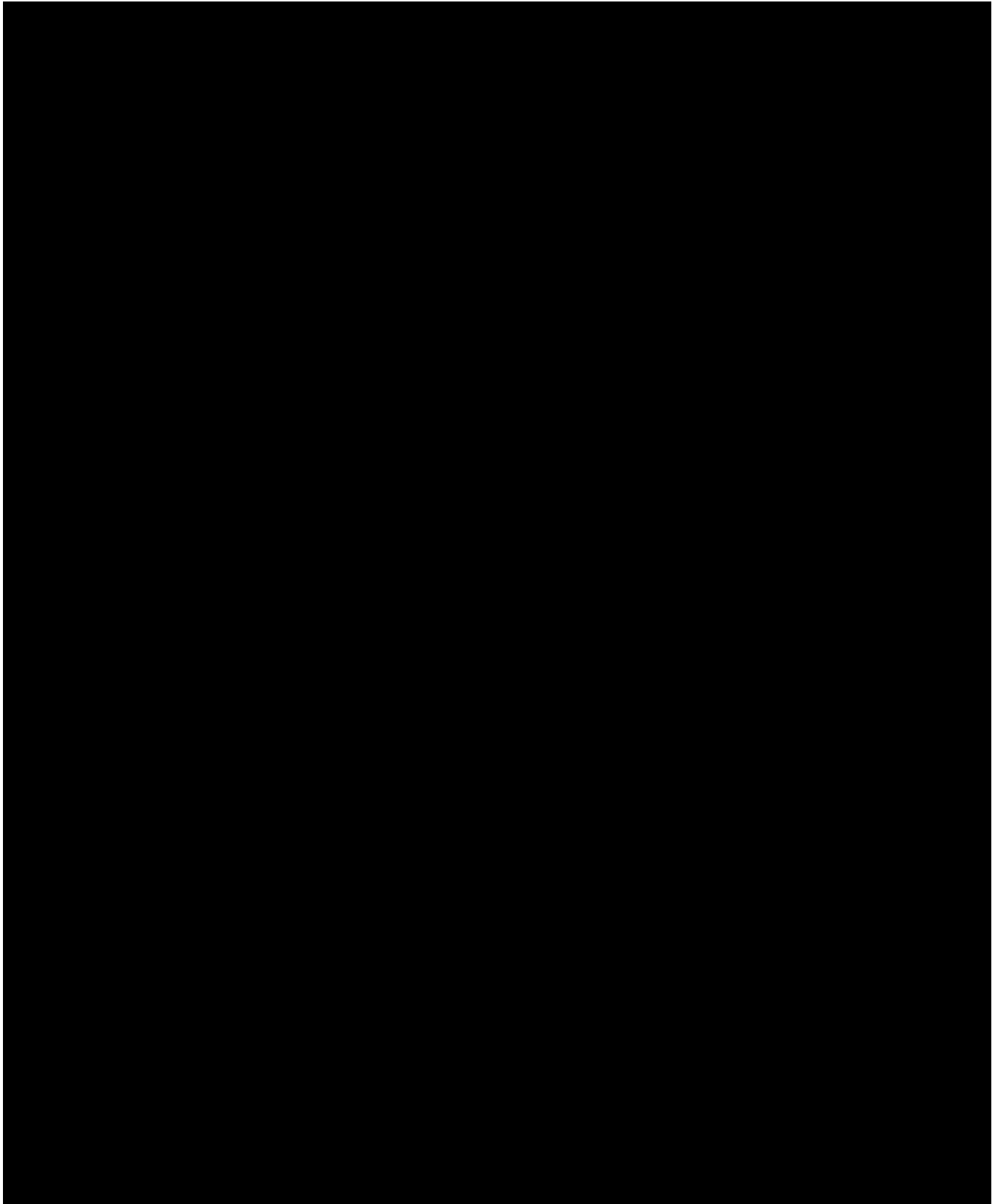
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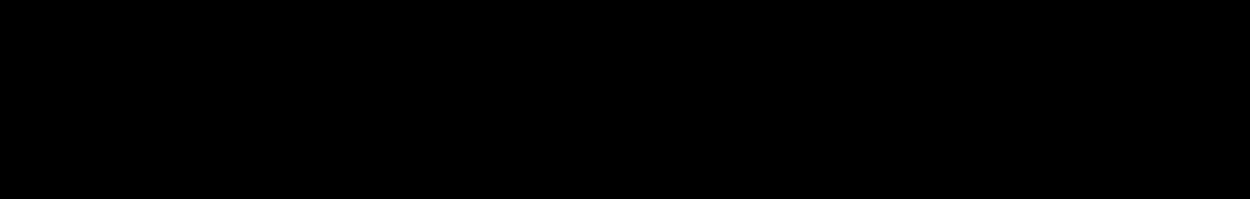
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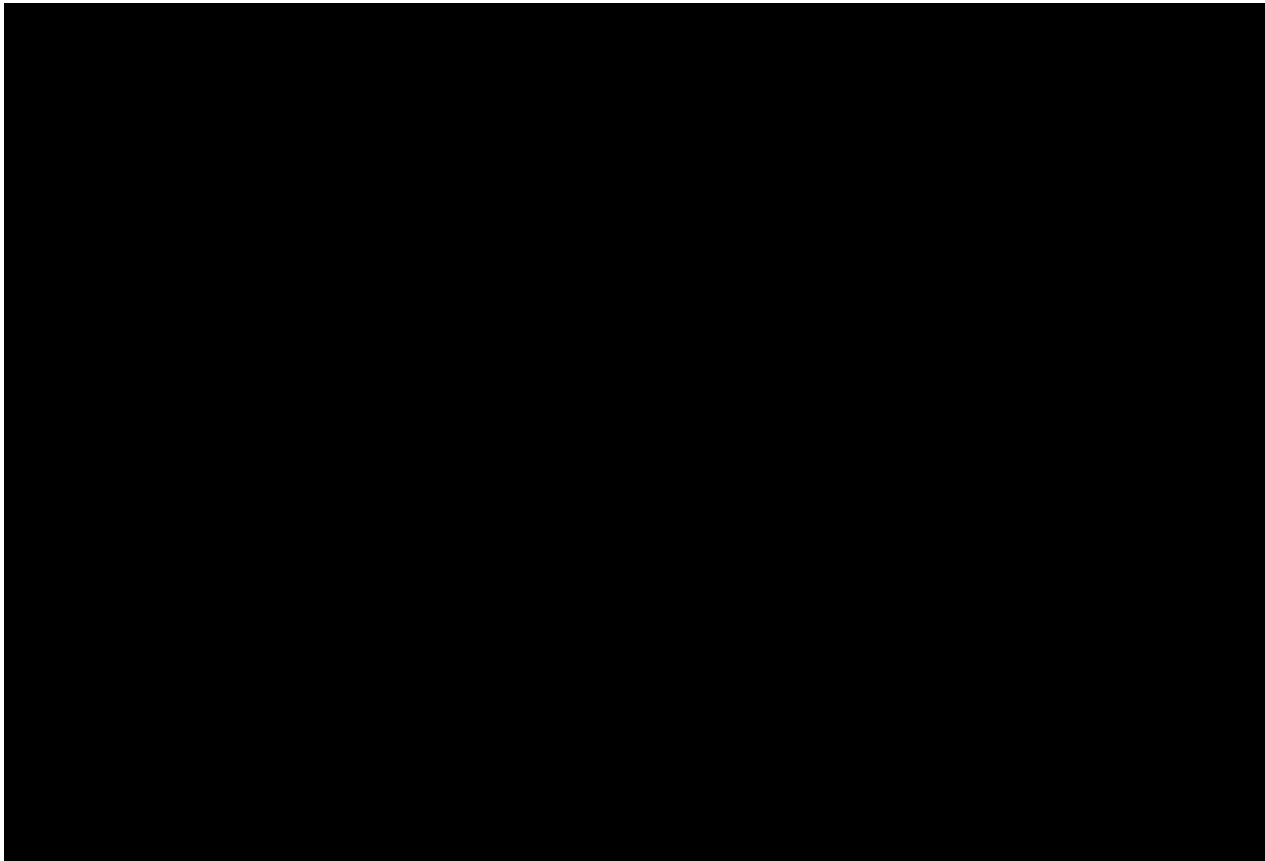
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ARTICLE NINE: GOVERNMENTAL CHARGES

9.1 Cooperation. [Redacted]

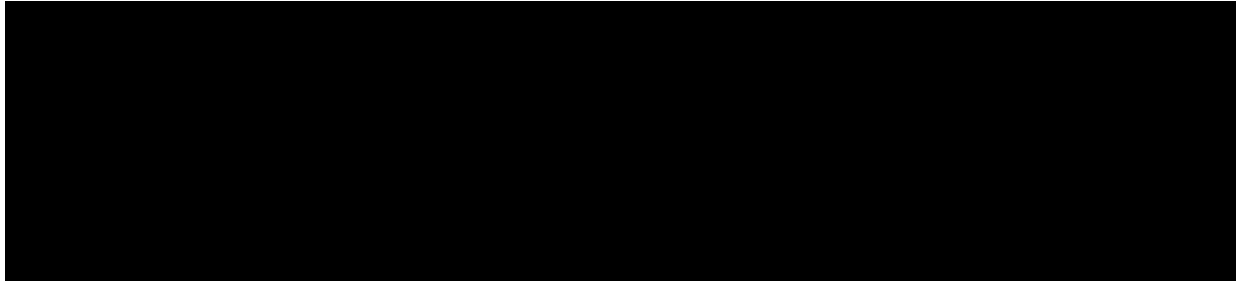
9.2 Governmental Charges. [Redacted]

ARTICLE TEN: MISCELLANEOUS

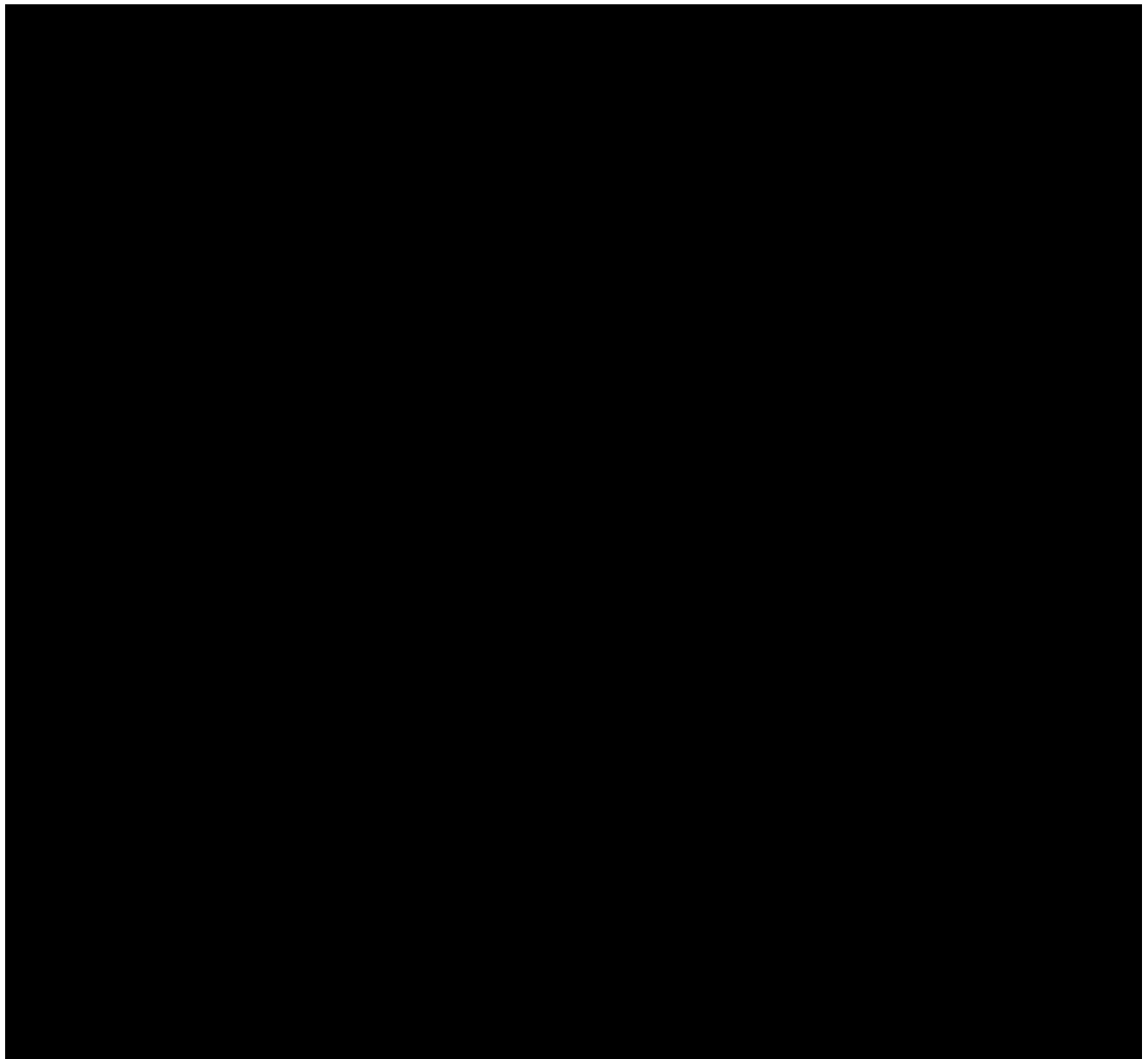
10.1 Term of Master Agreement.

[REDACTED]

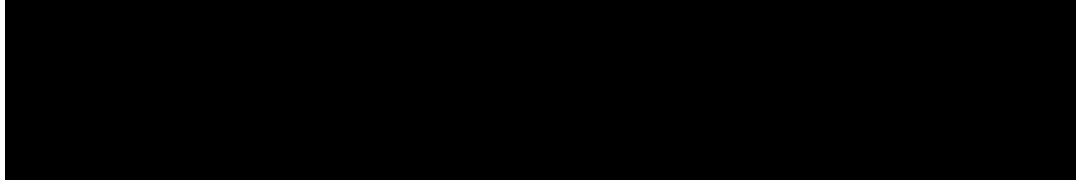
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10.2 Representations and Warranties. On the Effective Date and the date of entering into each Transaction, each Party represents and warrants to the other Party that:



REDACTED VERSION



REDACTED VERSION

(viii) [REDACTED]

(ix) [REDACTED]

(x) [REDACTED]

(xi) [REDACTED] and

(xii) [REDACTED]

10.3 [REDACTED]

10.4 [REDACTED]

10.5 Assignment.

[REDACTED]

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[REDACTED]

10.6 Governing Law.

[REDACTED]

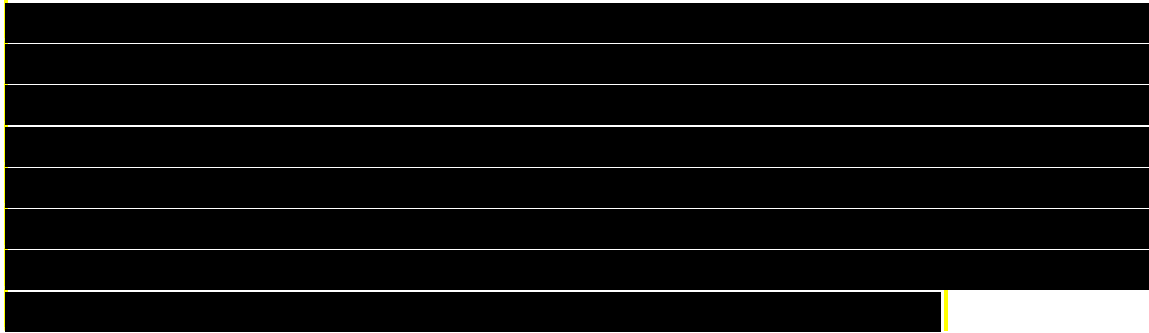
10.7 Notices.

[REDACTED]

10.8 General.

[REDACTED]

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[REDACTED]

10.9 Audit.

[REDACTED]

10.10 Forward Contract.

[REDACTED]

10.11 Confidentiality.

[REDACTED]

10.12 Dispute Resolution

REDACTED VERSION

(a)

[REDACTED]

(b)

[REDACTED]

REDACTED VERSION

[REDACTED]

(c)

[REDACTED]

10.13 No Agency.

[REDACTED]

Further Actions.

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

“Ancillary Services” means any of the services identified by a Transmission Provider in its transmission tariff as “ancillary services” including, but not limited to, regulation and frequency response, energy imbalance, operating reserve-spinning and operating reserve-supplemental, as may be specified in the Transaction.

“Capacity” has the meaning specified in the Transaction.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

“Firm (LD)” means, with respect to a Transaction, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure. In the absence of Force Majeure, the Party to which performance is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article Four.

“Firm Transmission Contingent - Contract Path” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product in the case of the Seller from the generation source to the Delivery Point or in the case of the Buyer from the Delivery Point to the ultimate sink, and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This contingency shall excuse performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Section 1.25 to the contrary.

“Firm Transmission Contingent - Delivery Point” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission to the Delivery Point (in the case of Seller) or from the Delivery Point (in the case of Buyer) for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product, in the case of the Seller, to be delivered to the Delivery Point or, in the case of Buyer, to be received at the Delivery Point and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This transmission contingency excuses performance for the duration of the interruption or curtailment, notwithstanding the provisions of the definition of “Force Majeure” in Section 1.25 to the contrary. Interruptions or curtailments of transmission other than the transmission either immediately to or from the Delivery Point shall not excuse performance

“Firm (No Force Majeure)” means, with respect to a Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the Product, the Party to which performance is owed shall be entitled to receive from the Party which failed to perform an amount

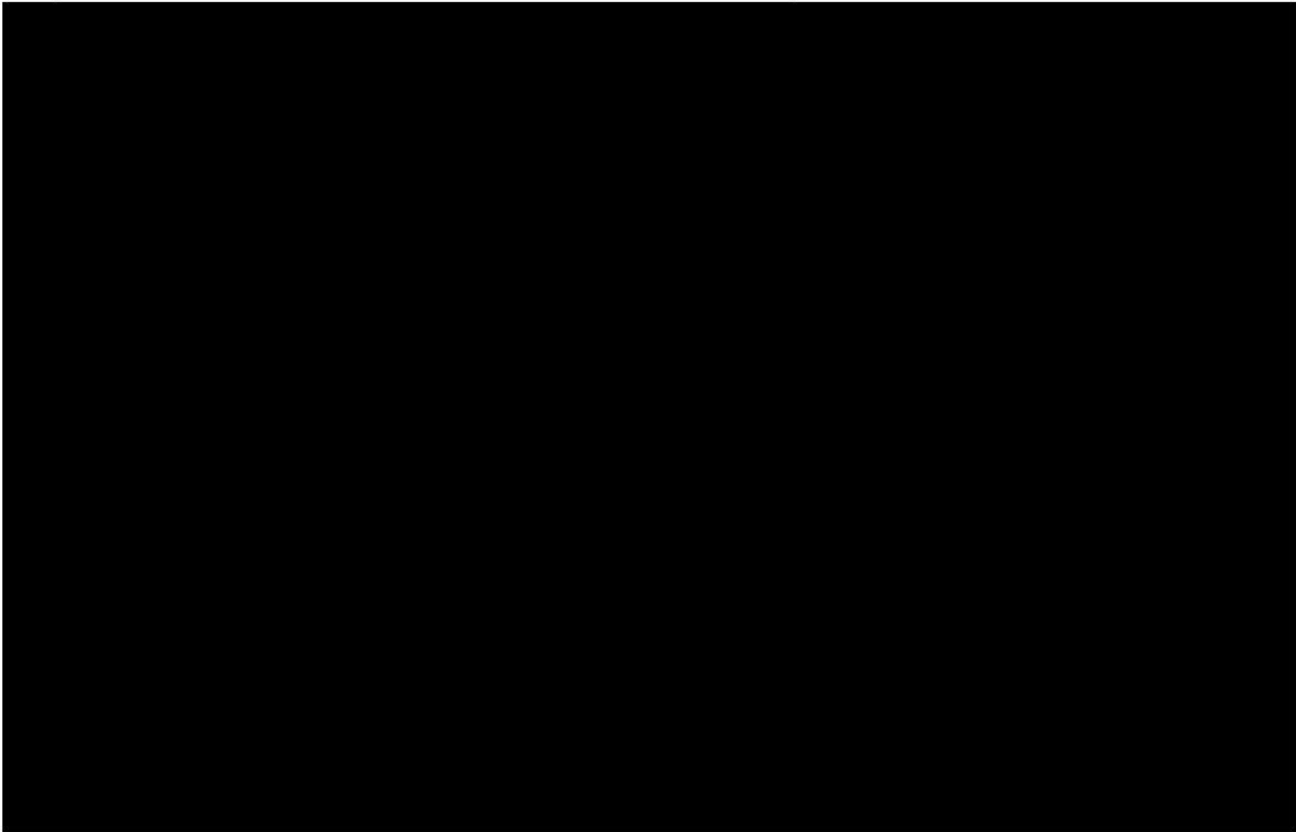
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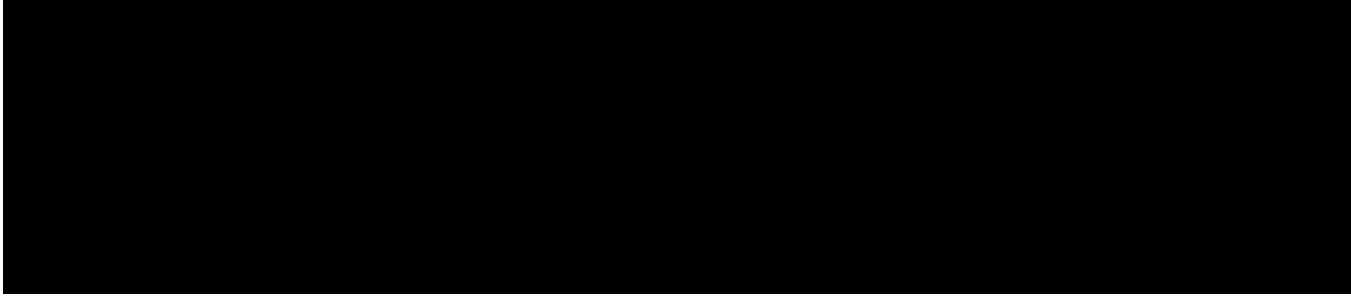
determined pursuant to Article Four. Force Majeure shall not excuse performance of a Firm (No Force Majeure) Transaction.



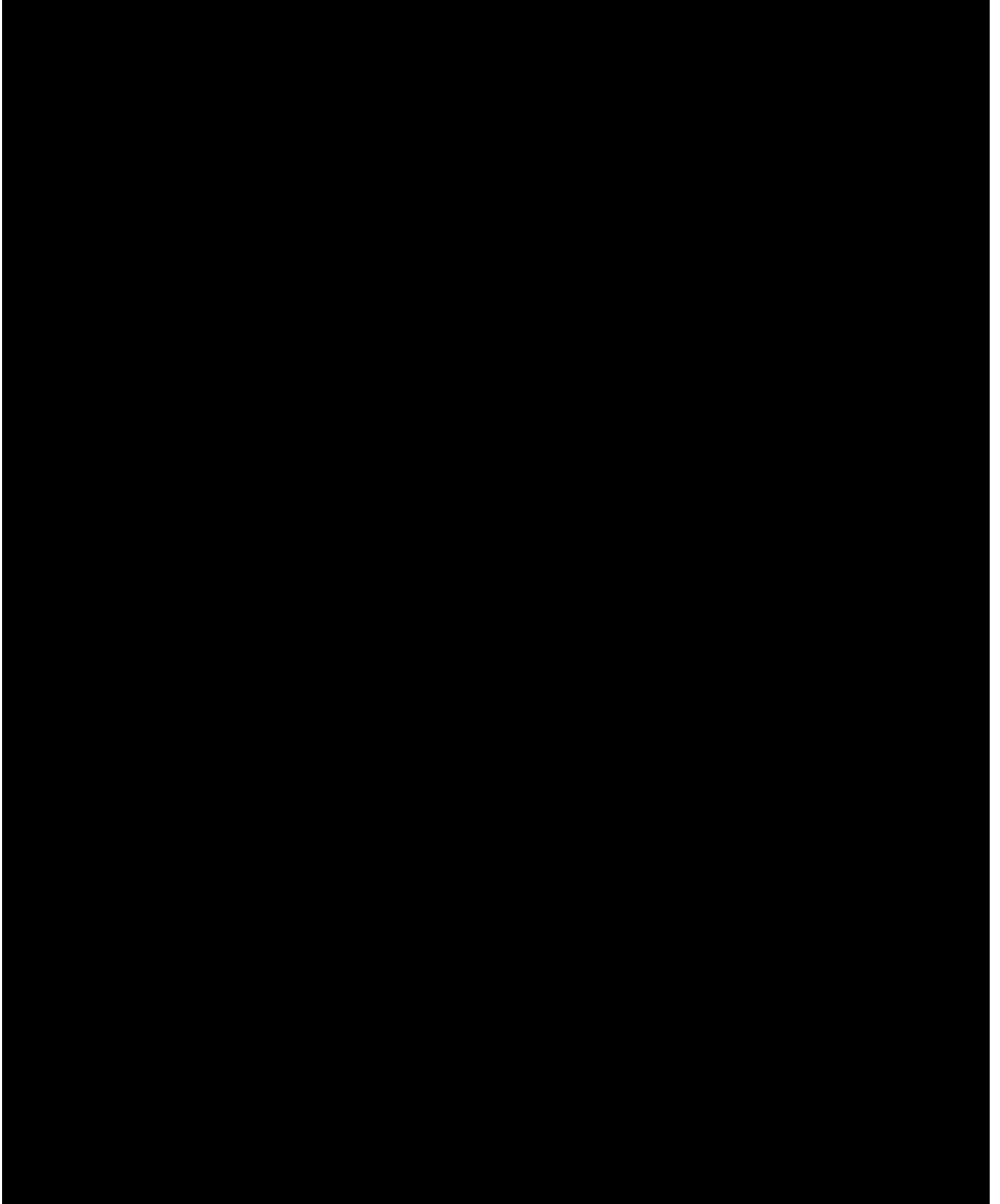
1. Prescheduling and Notification.



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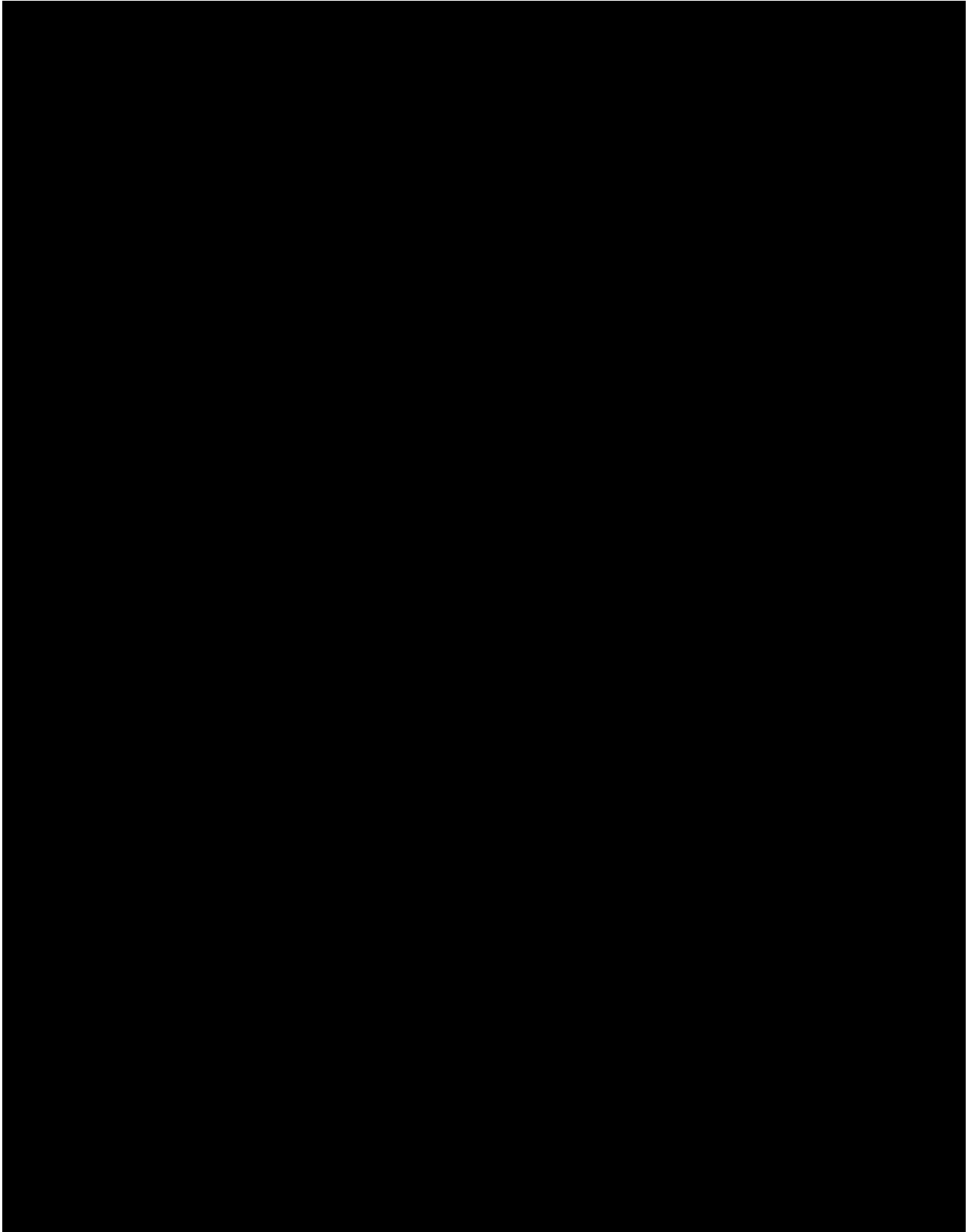
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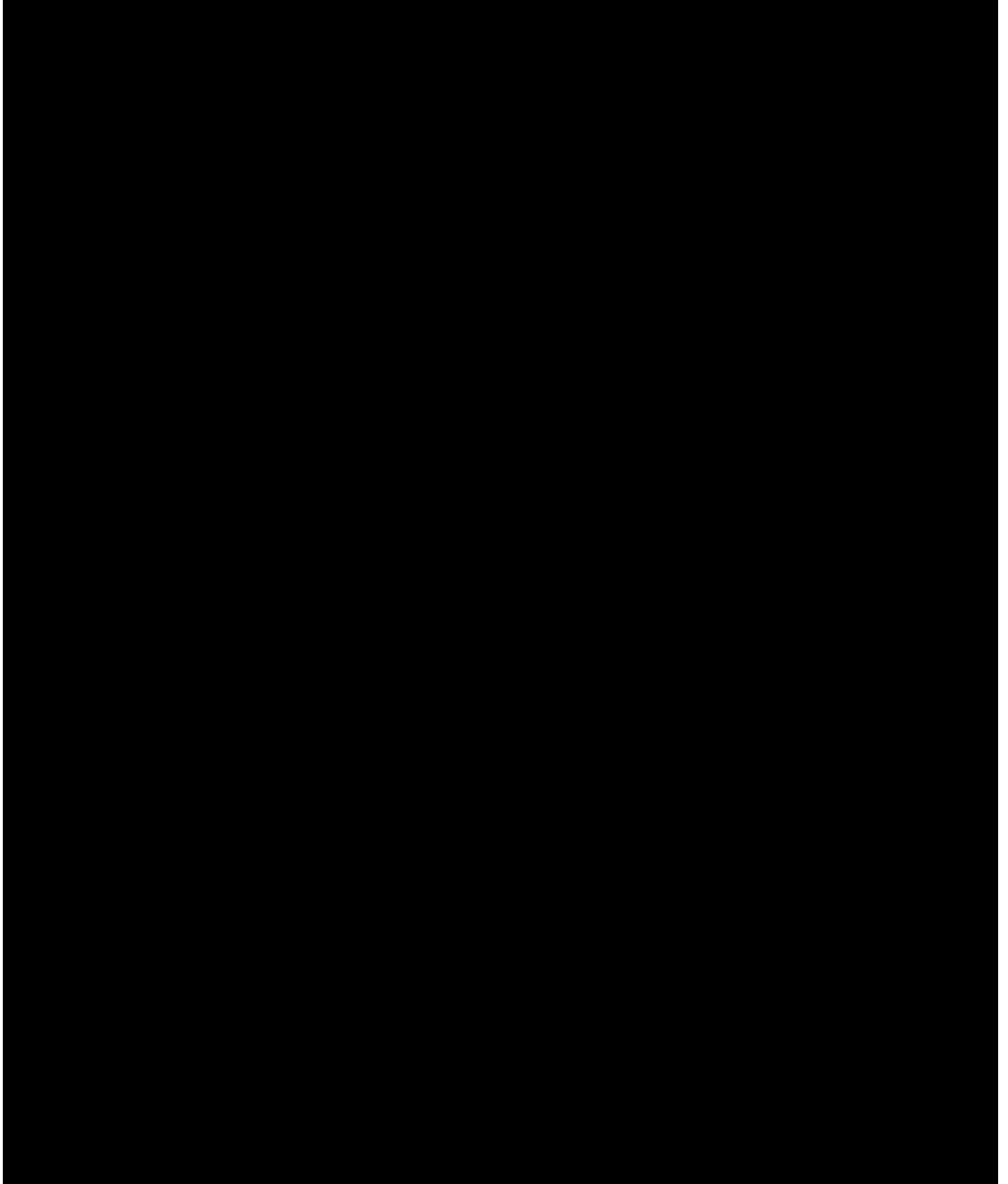
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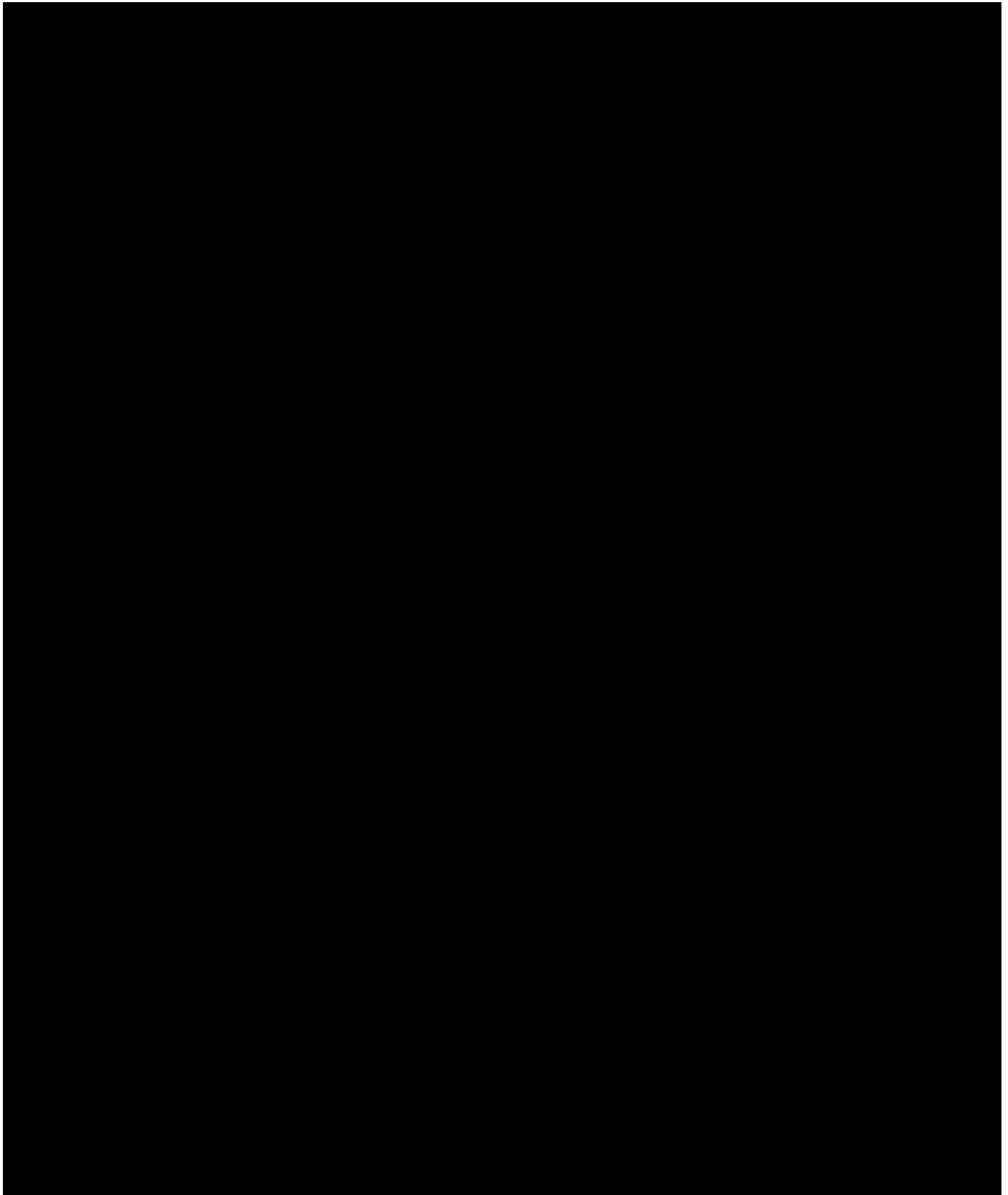
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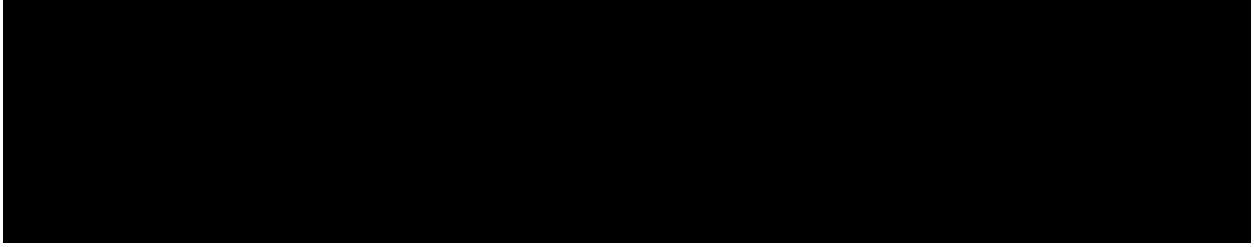
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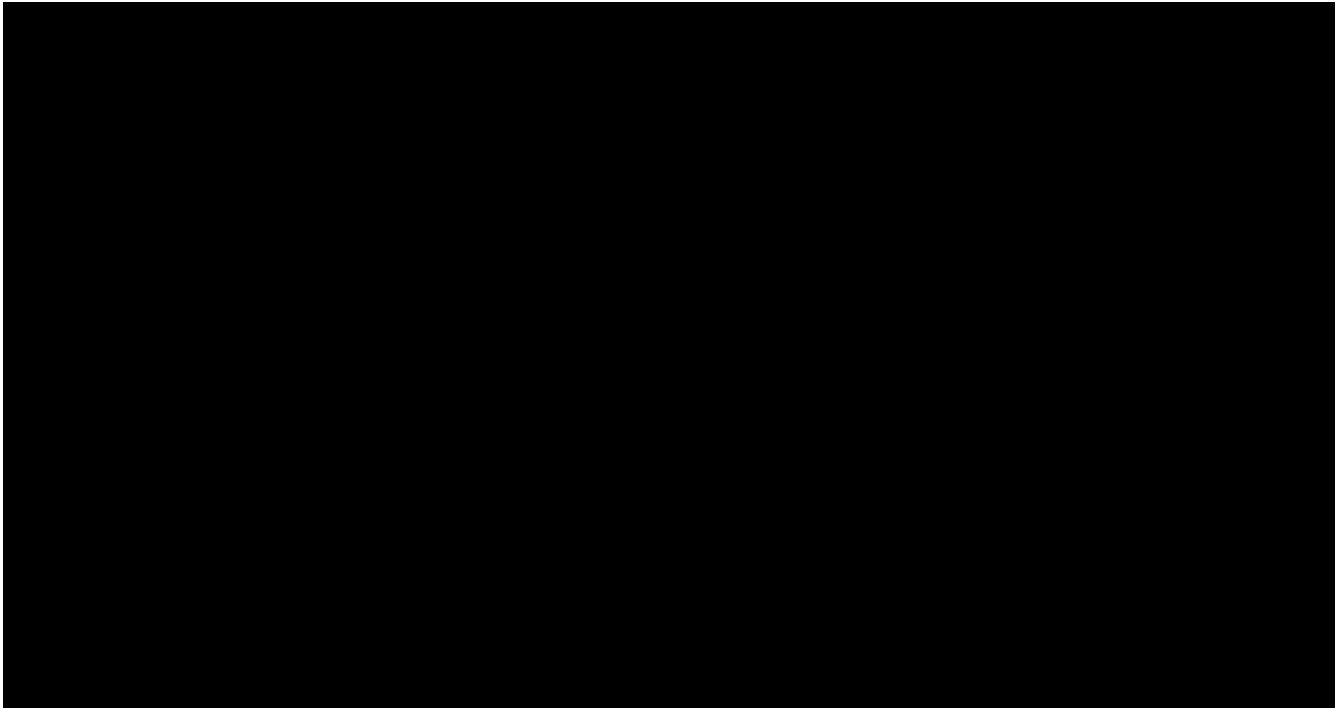
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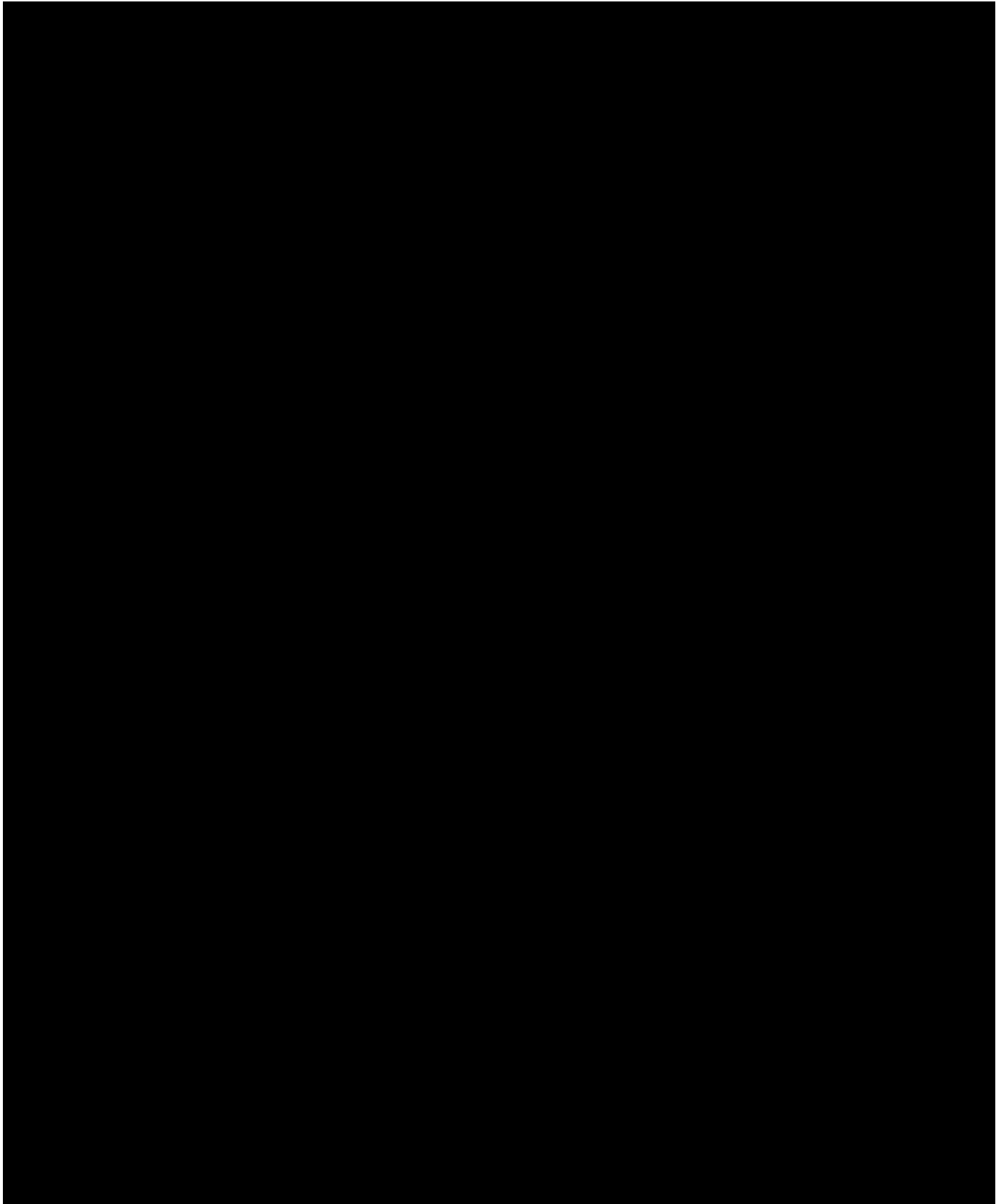
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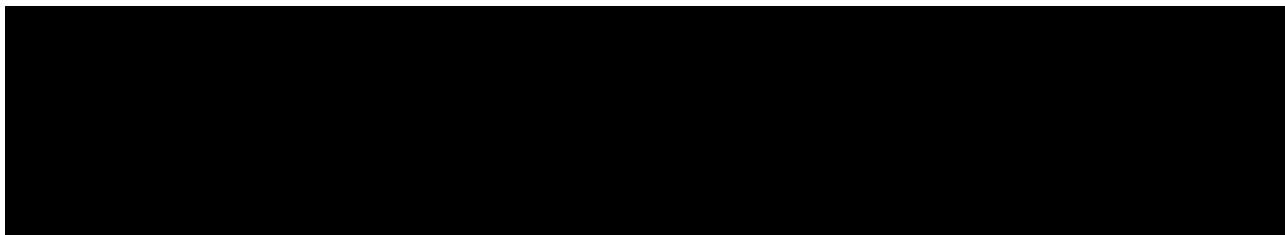
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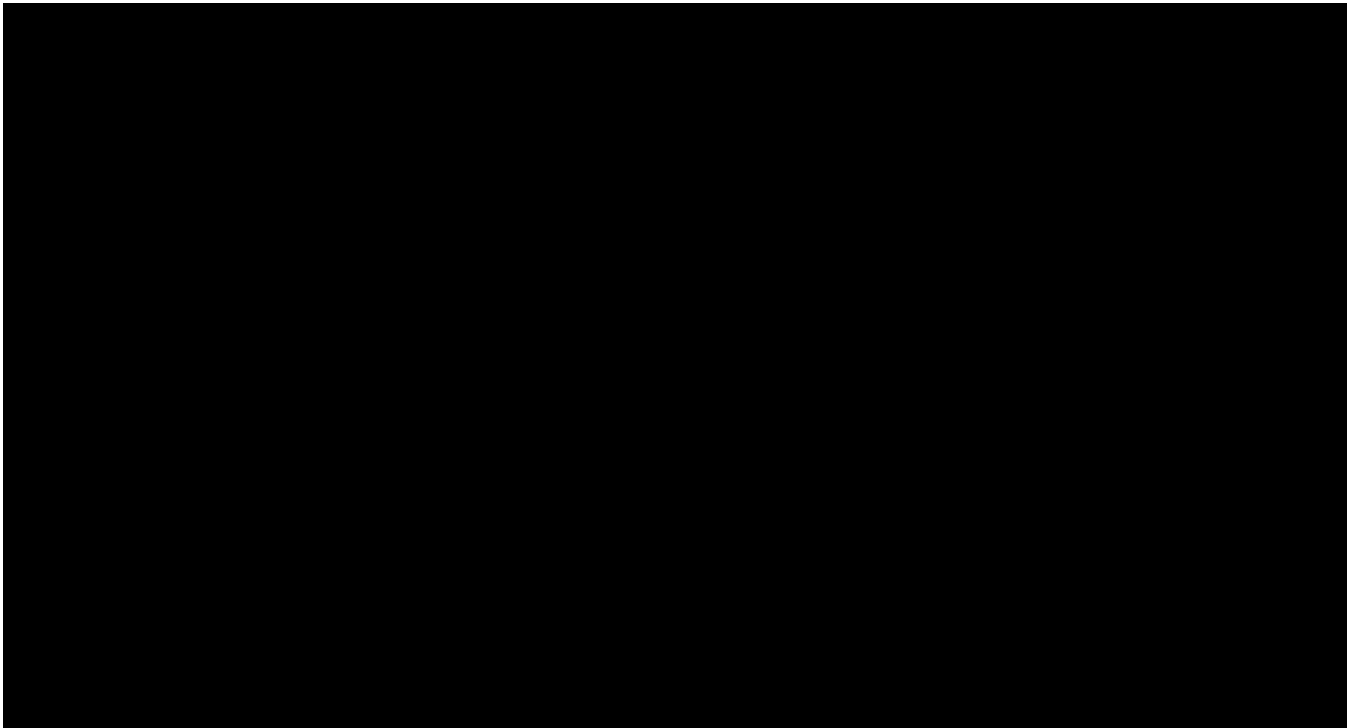
REDACTED VERSION



REDACTED VERSION



REDACTED VERSION



[Party A]

[Party B]

Name: _____

Name: _____

Title: _____

Title: _____

Phone No: _____

Phone No: _____

Fax: _____

Fax: _____