

**Power Purchase Agreement template
designed for Local Power Company customers
looking to install on-site Solar Generation with
Gross Output No Greater than 50 kW**

POWER PURCHASE AGREEMENT

Between

XXXXXXXXXXXXXXXXXXXX

And

TENNESSEE VALLEY AUTHORITY

Contract No.

This **AGREEMENT** (Agreement), effective as of XXXXXX (Effective Date) is made and entered into between XXXXXX (Qualified Producer); and Tennessee Valley Authority (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, Qualified Producer intends to own and operate a solar generation facility located at XXXXXXX for the production of electrical energy, which facilities will have a rated capacity of up to XXXXXXX; and

WHEREAS, Qualified Producer's facilities will produce electric energy that Qualified Producer desires to sell to TVA beginning on or about XXXXXXX or as soon thereafter as arrangements for Qualified Producer's facilities are put into place; and

WHEREAS, TVA is engaged in the generation, transmission, and supply of electric energy in the Tennessee Valley region; and

WHEREAS, Qualified Producer and TVA will be connected by virtue of the electric system of XXXXXXX (Local Power Company), a XXXXXXX (cooperative or municipal) electric system that purchases and distributes electric energy to consumers pursuant to a wholesale power contract with TVA; and

WHEREAS, consistent with provisions of the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), and the Federal Energy Regulatory Commission's (FERC) rules implementing such statutory provisions, TVA has developed a Dispersed Power Production Program and Guidelines governing the purchase of electrical energy from qualifying facilities; and

WHEREAS, Qualified Producer desires to participate in the Dispersed Power Production Program as provided in the Guidelines by delivering electric energy from Qualified Producer's facilities to TVA for purchase by TVA in such amounts as Qualified Producer deems appropriate; and

WHEREAS, Qualified Producer and TVA intend for this Agreement to set forth the obligations of Qualified Producer and TVA upon Qualified Producer's fulfillment of all requirements under the provisions of PURPA, as applicable, and the FERC rules implementing such provisions in order to be considered a qualified producer who owns and operates a qualified facility;

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter set forth, and subject to the provisions of the TVA Act, the parties hereto (the Parties) mutually covenant and agree as follows:

1. Term of Agreement. All provisions relating to Qualified Producer's delivery to TVA of, and TVA's payment to Qualified Producer for, electric energy generated by Qualified Producer shall become effective on the date (Delivery Date) on which Qualified Producer is ready to deliver, and TVA and Local Power Company are ready to receive, said electric energy, which Delivery Date shall not be earlier than XXXXXXX. This Agreement shall continue in effect for a term of five (5) years; provided, however, that Qualified Producer may terminate this Agreement at anytime on or after the date falling one (1) year after the Delivery Date upon at least six (6) months' prior written notice to TVA or, if Qualified Producer's facilities cease to be qualified facilities under the Guidelines, TVA may terminate this Agreement by giving at least sixty (60) days' prior written notice to Qualified Producer, and the obligations of the Parties shall be of no further force or effect. The Parties' payment and responsibility obligations (including those under sections 5, 7, and 9 of this Agreement), however, shall survive the expiration or termination of this Agreement until they are satisfied.

For purposes of this Agreement, the term "meter-reading time" for any calendar month shall mean 0000 CST or CDT, whichever is currently effective, on the first day of the month, except that TVA may change the time and date of the meter reading upon notice to Qualified Producer.

2. Delivery of Electric Energy By Qualified Producer. Qualified Producer shall deliver to the Delivery Point specified in section 4 hereof, and TVA shall receive and pay for, electric energy delivered from Qualified Producer's generating facilities to the Delivery Point (which generating facilities shall include all of Qualified Producer's electrical facilities and equipment up to the Delivery Point (solar generation facility)), in amounts that may vary from time-to-time as Qualified Producer deems appropriate but that shall not exceed XXXXXXX kW at any one time.

3. Dispersed Power Production Guidelines and Representation of Seller. It is understood and agreed by the Parties that the arrangements between the Parties for the purchase by and delivery to TVA of electric energy hereunder, including necessary facility arrangements, shall be carried out in accord with TVA's Dispersed Power Production Guidelines (Guidelines), as applicable, as such Guidelines now exist or may hereafter be modified. In the event of any conflict between the provisions of the Guidelines and any provisions of this Agreement, the latter shall control. TVA will provide Qualified Producer copies of any proposed guideline changes as much in advance of their effective date as practicable.

By entering into this Agreement, Qualified Producer represents to TVA that its solar generation facility is considered to be a Qualifying Facility (QF), which meets the qualifications set forth in 18 Code of Federal Regulations (C.F.R.), Part 292. Pursuant to 18 C.F.R. 292.203, there is an exemption for generators with net power production capacities of 1 MW (1000 kW) or less from the requirement to file Form 556 in order to obtain QF status. Qualified Producer is solely responsible for determining if this exemption applies to its solar generation facility. If (i) despite the exemption, Qualified Producer chooses to file Form 556 to obtain QF status anyway, or (ii) due to any facility expansion, certification is required to obtain or maintain Qualified Producer's QF status under 18 C.F.R. 292, then Qualified Producer shall submit a copy to TVA of any such filing or certification.

4. Conditions of Delivery. It is recognized that Local Power Company and Qualified Producer, at no cost to TVA, shall under separate arrangements between Local Power Company and Qualified Producer provide a point of delivery (Delivery Point) for electric energy to be sold to TVA. The Delivery Point for electric energy to be sold to TVA hereunder shall be the interconnection point of Qualified Producer's facilities to Local Power Company's facilities as determined in a separate agreement executed by the Qualified Producer and the Local Power Company to provide for the interconnection of the solar generation facility to Local Power Company's electric system (Interconnection Agreement). Qualified Producer shall be responsible for maintaining any existing and necessary Interconnection Agreement and entering into any necessary and appropriate Interconnection Agreement for future expansions to the solar generation facility, at Qualified Producer's sole cost and expense. Connection of the Qualified Producer's and the Local Power Company's facilities is subject to the Rules and Regulations of the Local Power Company.

5. Payments to Qualified Producer for Electric Energy Received by TVA.

(a) From recorded meter data provided by the metering equipment installed per section 7 below, TVA shall pay Qualified Producer monthly for all electric energy received and purchased by TVA in accordance with TVA's Dispersed Power Price Schedule CSPP attached hereto and made a part hereof (as said schedule may be modified, revised, replaced, or adjusted by TVA from time to time).

(b) TVA shall provide Qualified Producer a detailed accounting of the amounts of electric energy received, as determined by TVA. From said meter readings and in accordance with this Agreement, TVA shall calculate the monthly amount to be paid for electric energy received by TVA and shall promptly render payment to Qualified Producer within 30 days after the end of the month during which said electric energy was received. Each payment to Qualified Producer shall be made electronically through the Automated Clearing House (ACH) network to Qualified Producer's account at a bank designated by Qualified Producer that will accept electronic fund transfers through the ACH network, in which case TVA shall have four additional working days to effect a transfer of funds.

(c) Amounts owed by each Party to the other Party during a monthly billing period under this section 5 shall be offset against each other so that only one Party shall pay a net amount to the other Party.

6. Local Power Company's Power Supply to Qualified Producer. Deliveries of electric energy by Local Power Company to Qualified Producer shall be under arrangements provided separately from this Agreement, shall be metered and accounted for separately from the electric energy deliveries made by Qualified Producer to TVA hereunder, and shall otherwise be provided in accordance with the applicable rates, rules and regulations, and service policies governing such service by Local Power Company to Qualified Producer.

7. Metering and Inspection of Records. (a) Qualified Producer shall enter into separate arrangement(s) with Local Power Company to provide TVA with monthly readings of the metering and related facilities ("Metering Installation"). The Metering Installation shall be used to determine the amounts of electric energy delivered to and purchased by TVA at the Delivery Point under this Agreement. Metering Installations capable of recording at least clock half-hour interval data will be paid under Part B of the Guidelines. Metering Installations not capable of time differentiation will be paid under Part A of the Guidelines. TVA shall have the right to verify these monthly readings. Qualified Producer grants to TVA, and shall obtain from Local Power Company for TVA, the necessary access rights to the meters in order for TVA to perform such verifications.

(b) TVA assumes no responsibility for the adequacy or functionality of the Metering Installation. Qualified Producer shall coordinate with the Local Power Company, through its separate arrangement(s),

to ensure that electric energy to be delivered to and purchased by TVA is accounted for properly. TVA shall not be required to pay for any energy not appropriately metered hereunder.

(c) Each Party shall have the right at its own expense, upon forty-eight (48) hours advance notice and during normal business hours, to inspect the books and records of the other Party pertaining solely to the performance of this Agreement at the offices of the other Party, to the extent necessary to verify the amounts of electric energy delivered, the amounts owed to Qualified Producer by TVA, and any amount owed to TVA by Qualified Producer. The Party conducting the inspection shall use its best efforts to minimize any disruptions of the other Party's operations that might result from any such inspection.

8. Risk of Loss. Except as provided in section 9, each Party assumes all risk of loss, injury, or damage to its own facilities or system resulting from such interruptions or curtailments, regardless of cause.

Each Party shall notify the other Party promptly of the development of any cause of interruption or curtailment and shall remedy the effect of any such cause as promptly as practicable.

9. Indemnification. Qualified Producer hereby releases, and shall indemnify and save harmless TVA and its respective agents and employees from, all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, or loss of life or property sustained by Qualified Producer, its agents and employees, or third parties arising out of or in any way connected with the activities within the scope of this Agreement, except for negligence or intentional misconduct of TVA or its respective agents or employees.

10. Notices. Any notice or other communication required or desirable by either Party under this Agreement shall be in writing (including email). TVA may post information on the TVA Dispersed Power Production webpage accessible at <http://www.tva.com/power/dispersed.html>. All notices and communications shall be directed to a Party as designated in (a) or (b) below, except that, where circumstances require, oral notices may be utilized if confirmed in writing (including email). Such notices or communications shall be deemed given upon receipt. The designations under (a) or (b) below may be changed at any time and from time-to-time by notice.

(a) to TVA:

General Manager, Power Origination
Tennessee Valley Authority
1101 Market Street, MR 2A-C
Chattanooga, Tennessee 37402
dpp@tva.gov

(b) to Qualified Producer:

[name, address, phone and email]

11. Payments. All payments required to be made to a Party under this Agreement shall be made by Automated Clearing House (ACH) to the following account, with the amounts deemed received as of the date the electronic fund transfer to the recipient's account.

If to TVA:

Bank Name: CASH LINK-ACH RECEIVER
ABA No. 051036706
Account No. 349000
OBI Please include addenda record listing invoice number.

If to Qualified Producer:

Bank Name: XXXXXXXX
ABA No. XXXXXXXX
Account No. XXXXXXXX
Account Name XXXXXXXX
Bank Address XXXXXXXX
XXXXXXXX
Telephone: XXXXXXXX
Facsimile: XXXXXXXX
OBI: Please include Invoice Number

A Party may change the payment account information at any time by notice to the other Party.

12. Successors and Assigns. This Agreement may be assigned by TVA but shall not be assignable by Qualified Producer without the prior written consent of TVA, which consent shall not be unreasonably withheld, except that no additional consent shall be needed for the assignment by Qualified Producer to a wholly owned subsidiary of Qualified Producer or Qualified Producer's successor by any bona fide merger, reorganization, or consolidation.

In the event of any such assignment, the Parties shall remain liable for the faithful performance of this Agreement in all respects by their respective assigns, and such assigns by acceptance of such transfer or assignment shall likewise become bound for the full performance of this Agreement.

13. Certain Statutes, Executive Orders, and Implementing Regulations. Qualified Producer agrees that, unless otherwise specifically exempted, this Agreement shall be performed in full compliance with all applicable equal opportunity requirements including, but not limited to, Executive Order No. 11246, relating to equal employment opportunity and nonsegregated facilities; the Vietnam Era Readjustment Assistance Act of 1974, and Executive Order No. 11701, relating to the employment of veterans; the Rehabilitation Act of 1973, and Executive Order No. 11758, relating to the employment of handicapped persons; Executive Order No. 11141 prohibiting discrimination upon the basis of age; and all amendments thereto and all regulations, rules, and orders issued thereunder. The foregoing statutes, executive orders, regulations, rules, and orders are by the above references incorporated into this Agreement. Qualified Producer also shall comply with the provisions set forth in Exhibit A (attached hereto and hereby made a part hereof) and makes the certifications set forth therein. Qualified Producer shall be responsible for any necessary compliance with other Federal, State, and local laws, statutes, regulations, ordinances, and permit requirements not specifically referred to above.

14. Lobbying. Qualified Producer shall comply with Section 319 of Public Law No. 101-121, (codified at 31 U.S.C. § 1352), TVA's implementing regulation at 18 C.F.R. § 1315, and the provisions of Exhibit B, which is an integral part of this Agreement, regarding restriction on lobbying. By signing this Agreement, Qualified Producer certifies compliance with the foregoing in accordance with the certification set forth in Exhibit B.

15. Waiver of Defaults. A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

16. Choice of Law. This Agreement shall be construed and interpreted in accordance with the Federal laws of the United States of America.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives, as of the Effective Date

TENNESSEE VALLEY AUTHORITY

[Company name]

Signature

Signature

Christopher W. Hansen

Printed Name

Printed Name

General Manager, Power Origination

Title

Title

SAMPLE

EXHIBIT A

AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY

To the extent applicable, this Agreement incorporates by reference the Affirmative Action for Disabled Veterans and Veterans of the Vietnam-Era clause, 41 C.F.R. § 60-250.4; the Affirmative Action for Handicapped Workers clause, 41 C.F.R. § 60-741.4; the Equal Opportunity clause, 41 C.F.R. § 60-1.4; and the Discrimination on the Basis of Age clause, 18 C.F.R. § 1316.6; and all amendments thereto and all applicable regulations, rules, and orders issued thereunder. Contractor shall comply with applicable regulatory requirements, including information reports and affirmative action programs.

SAMPLE

EXHIBIT B

BYRD RIDER

Lobbying. This Agreement is subject to the requirements of Public Law No. 101-121 (codified at 31 U.S.C. § 1352), which prohibits certain lobbying activities and requires disclosure of certain others, and to TVA's implementing regulations published at 55 Fed. Reg. 6736 (codified at 18 C.F.R. § 1315).

A. Prohibition, Certification, and Disclosure

- (1) Appropriated Funds. Section 319 of Public Law No. 101-121 provides that none of the funds appropriated by any act of Congress may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with: (a) the awarding of any Federal contract; (b) the making of any Federal grant; (c) the making of any Federal loan; (d) the entering into of any cooperative agreement; or (e) the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) Certification. Qualified Producer, by signing this Agreement, certifies in accordance with Exhibit, "Certification for Contracts, Grants, Loans, and Cooperative Agreements," attached hereto and made a part hereof ("Certification"), that it has not violated the foregoing prohibition.
- (3) Other Than Appropriated Funds. Except as provided in subsection D, below, if Qualified Producer has paid or will pay any funds other than Federal appropriated funds to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Agreement, Qualified Producer shall complete and submit to TVA Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. (Copies of Standard Form-LLL may be obtained from the TVA representative for this Agreement.) The requirements of this subsection A(3) shall not apply to payments of reasonable compensation to regularly employed officers or employees. The term "regularly employed," with respect to an officer or employee of a person requesting or receiving an Agreement, means an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates TVA's consideration of such person for receipt of such Agreement.

- B. Updating. At the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in the Certification or, if applicable, Standard Form-LLL, Qualified Producer shall file with TVA an initial or new Standard Form-LLL with such new information or modifications as are necessary to correct any inaccuracies in the information originally declared and certified.
- C. Subcontractors. Qualified Producer shall include or cause to be included the form of the Certification in any subcontract exceeding \$100,000 at any tier. Qualified Producer shall promptly file with TVA each Standard Form-LLL provided by a subcontractor.
- D. Exceptions. The prohibition described in subsection A(1) above and the disclosure requirements in subsection A(3) do not apply in the case of (1) a payment of reasonable compensation made to an officer or employee of Qualified Producer to the extent that the payment is for agency and legislative liaison activities not directly related to a Federal action referred to in subsection A; or (2) any reasonable payment to a person, or any payment or reasonable compensation to an officer or employee of Qualified Producer, if the payment is for professional or technical services rendered directly in the preparation or negotiation of this Agreement.
- E. Definitions. Terms not defined herein shall have the meanings ascribed to them in 31 U.S.C. §1352 and TVA's implementing regulations.
- F. Penalties. (1) Any person who makes an expenditure prohibited by 31 U.S.C. §1352 shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure; and (2) any person who fails to file or amend a certification required under subsection A(2) above or a disclosure required to be filed or amended under subsection A(3) above shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 and to such other remedies as may apply for each such failure.

BYRD RIDER EXHIBIT

Certification for Contracts, Grants,
Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.