

BLOCK ISLAND UTILITY DISTRICT



Block Island Utility District and Energized Line Construction crews jointly rebuilt the New Harbor 3A circuit in just 6 weeks. The line was relocated in front of the power company office to avoid frequent tree trimming and to clean up the Ocean Avenue/Beach Avenue intersection.

**BOARD OF COMMISSIONERS MEETING
FEBRUARY 28, 2020**

Block Island Utility District
February 28, 2020
4:00 PM
Town Hall, Old Town Road, Block Island

1. Public Input
2. Commissioner's Report
 - a. Election of Officers
3. Review and Act on 2020 Calendar (Regular and Annual Meetings)
4. Approve Minutes of January 16, 2020 Regular Meeting
5. Receive and Act on Treasurers Report
6. Receive and Act on Presidents Report
7. Receive and Act on Net Metering Tariff and Statute Amendment
8. Review and Act on BIUD Rooftop Solar – Donation by RI Foundation
9. Review and Act on Rate Case

Individuals requesting services for the deaf and hard of hearing must call (401) 466-5851 forty-eight hours in advance of the meeting date. TTY: 711 Posted: January 7, 2020

AGENDA ITEM 1

PUBLIC INPUT

AGENDA ITEM 2

COMMISSIONER'S REPORT

(Election of Officers)

AGENDA ITEM 3

Review and Act on Annual Utility District Meeting Schedule

(PAGE PROVIDED FOR NOTE TAKING PURPOSES)

BLOCK ISLAND UTILITY DISTRICT PROPOSED MEETING CALANDAR

2020

January						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

October						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

May						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November						
Su	Mo	Tu	We	Th	Fr	Sa
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

March						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

September						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

REGULAR MONTHLY MEETING

ANNUAL MEMBERSHIP MEETING

AGENDA ITEM 4
APPROVE BOD MEETING MINUTES

January 16, 2020 Regular Meeting

DRAFT

Block Island Utility District
January 16, 2020
Town Hall, Old Town Road 3:00 PM

Minutes

Present: Barbara MacMullan, William Penn, Elliot Taubman. Absent: Mary Jane Balser and Everett Shorey.

Also, Present: Jeff Wright, a representative from the Block Island Times, and several members of the public.

Barbara MacMullan called the meeting to order at 3:09 PM.

1. Commissioner's Report

- Barbara MacMullan welcomed everyone to the meeting. She postponed the election of officers and review and approval of the annual meeting calendar due to two directors being absent due to the weather.

2. Public Input

- There was no public input.

3. Approve Minutes of the December 3, 2019 regular meeting.

Barbara MacMullan moved to accept the December 3, 2019 minutes, seconded by William Penn. The motion passed unanimously.

4. Receive and Act on Treasurers Report

- William Penn presented the Treasurer's Report (on file), noting that all disbursements complied with all policies.
- He provided an update on the audit.
- He informed the Board of a recent meeting held with the DPUC, Mike McElroy, Dave Bebyn, Jeff Wright and CFC at which discussions were had regarding future CFC loans for the spare transformer and employee housing.
- He reviewed the financials as of November 30, 2019, noting that the current debt to equity ratio was approximately 12.5%.

Barbara MacMullan moved to accept the Treasurer's Report, seconded by Elliot Taubman. The motion passed unanimously.

- He presented the NRUCFC Credit Card program.

William Penn moved to approve the NRUCFC resolution on file authorizing President Jeffery M. Wright to execute the necessary documents to enroll in the NRUCFC One Card program. The motion was seconded by Barbara MacMullan. The motion passed unanimously.

5. Receive and Act on Presidents Report

- President Jeffery Wright presented the President's Report (on file) and answered questions from those present.

- He presented the Board with a NRUCFC Certificate of Resolutions and Incumbency, loan agreements and promissory note for long term debt for the spare transformer and employee housing.

William Penn moved to accept the President's Report. Elliot Seconded the motion. The motion passed unanimously.

William Penn then moved to approve the NRUCFC loan documents and Certificate of Incumbency. Elliot Seconded the motion. The motion passed unanimously.

6. Review and Act on the Block Island Utility District Efficiency Program

- President Jeffery Wright presented the changes made to the efficiency plan by RI-OER Nathan Cleveland in response to the Board's request at the previous meeting.

William Penn moved to approve the Block Island Utility District Efficiency Plan and to file it with the RI-PUC for approval. Elliot Seconded the motion. The motion passed unanimously.

7. Discuss Net Metering: Receive Public Input and Discuss

- Jeffery Wright presented a proposed net metering tariff that was based off from Pascoag Utility District's tariff. The tariff was in draft form and was going to be reviewed by the DPUC and Mike McElroy before the next meeting and suggested that we should strive to approve the tariff next month so that it can be filed with the RI-PUC after the next meeting.

- He presented a proposed Net Metering Statute amendment that he had discussed with the RI-OER and RI-PUC staff for consideration by the Board. Barbara MacMullan inquired about the timing of the amendment and the new tariff approval and wanted clarification to ensure that the existing program would remain closed until the new tariff was approved if the statute amendment was adopted first.

Barbara MacMullan moved to authorize requesting the statute amendment conditional on clarification with the RI-PUC regarding the timing of the approval and its effect on the current and proposed tariff. Elliot Taubman seconded the motion. The motion passed unanimously.

No action was taken on the net metering tariff.

9. Discuss and Act on Hull Suburban Lease

- President Jeffery Wright presented new lease terms (on record) for Hull Suburban.
- Peter McNurney of Hull Suburban presented his thoughts and company's goals for consideration by the Board.

William Penn moved to approve the new lease terms for Hull Suburban. Barbara MacMullan seconded the motion. Elliot Taubman recused himself. The motion passed unanimously.

10. Review and Act on a Long-Term Solar Purchase Power Agreement*

At 4:50PM, Barbara MacMullan moved to enter into closed session to discuss the commercial terms of a long term solar PPA, seconded by Elliot Taubman. The motion passed unanimously.

At 5:10 PM, Barbara MacMullan moved to come out of closed session, seconded by Elliot Taubman. The motion passed unanimously.

The Board reported that they had authorized President Jeffery Wright to execute the PPA with Gravel Pit Solar. The term is 20 years with no escalator. The amount that Block Island will receive per year is estimated to be 118,839,000 kWh. This represents 1.67% of the Utility District's total annual energy requirement in 2023.

At 5:12, Barbara MacMullan moved to adjourn, seconded by William Penn. The motion passed unanimously.

AGENDA ITEM 5
TREASURER'S REPORT

2019 Year End Financial Update

Audit Update

NRUCFC Line of Credit Renewal

Employee Housing Update

Block Island Utility District
Balance Sheet
December 30, 2019

ASSETS

	December 30, 2019	Beginning March 26, 2019
<u>Property and Equipment</u>		
Land	\$ 863,920.59	\$ 822,024.06
Buildings	550,224.70	464,663.03
Machinery & Equipment	1,973,972.46	1,965,679.19
Distribution System	2,550,275.09	2,001,189.04
Office System, Furniture & Fixture	288,964.68	273,068.10
Transportation Equipment	19,945.60	12,289.57
Construction Work in Progress-Distribution	544.08	0.00
Total Property and Equipment	6,247,847.20	5,538,912.99
Total Accumulated Depreciation	<198,285.00>	0.00
<i>Net Utilities Plant</i>	6,049,562.20	5,538,912.99
<u>Current Assets</u>		
Cash - Main Checking	593,714.23	134,116.73
Cash - Sweep Acct	140,394.77	0.00
Accounts Receivable Elect	332,038.94	133,131.99
Allowance For Bad Debt	(19,587.93)	(19,587.93)
Accounts Receivable-Other	12,408.50	4,874.69
AR-Cash due from BIPCo	14,601.55	13,035.01
AR-Blackrock Acct due from BIPCo	97,961.90	105,435.21
Unbilled Revenue	0.00	172,271.82
Plant Material & Operation	204,809.47	155,645.53
Fuel Inventory	49,205.21	48,832.04
Prepaid Expenses	55,167.67	10,795.49
<i>Total Current Assets</i>	1,480,714.31	758,550.58
<u>Deferred Assets</u>		
Def. Regulatory Asset-retiremt	202,750.88	206,297.35
Def. Regulatory Asset-Eng.Res	106,838.77	0.00
Def. Regulatory Asset-RateCase	0.00	0.00
Def.Regulatory Asset-Interconnection	141,517.76	186,940.76
<i>Total Deferred Assets</i>	451,107.41	393,238.11
Total Assets	\$ 7,981,383.92	\$ 6,690,701.68

Block Island Utility District
Balance Sheet
December 30, 2019

LIABILITIES AND CAPITAL

	December 30, 2019	Beginning March 26, 2019
<i>Current Liabilities</i>		
Accounts Payable Trade	\$ 334,987.37	\$ 2,000.00
AP-NISC Admin Software	0.00	18,012.00
A/P - Customer Deposits	72,171.32	65,891.67
Accrued Purchase Power Expenses	194,028.25	156,548.64
Accrued Other Expenses	27,045.39	31,840.05
DSI Surcharge Payable	11,744.80	(56,429.18)
Accrued Payroll and Withholdings	5,498.15	0.00
Total Current Liabilities	645,475.28	217,863.18
<i>Deferred Credits</i>		
Deferred Revenue	125,127.40	80,954.99
SCR & Engine Maint Reserve	380,714.63	380,714.63
Total Deferred Credits	505,842.03	461,669.62
<i>Long-Term Liabilities</i>		
Line of Credit	0.00	90,943.22
Retirement Obligations	202,750.88	206,297.35
CFC Acquisition LOAN	5,774,311.13	5,800,000.00
Total Long-Term Liabilities	5,977,062.01	6,097,240.57
Total Liabilities	7,128,379.32	6,776,773.37
<i>Capital</i>		
Retained Earnings	<24,050.53>	<24,050.53>
Net Income	877,055.13	(62,021.16)
Total Capital	853,004.60	<86,071.69>
Total Liabilities & Capital	\$ 7,981,383.92	\$ 6,690,701.68

Block Island Utility District
Income Statement
For the Twelve Months Ending December 31, 2019

Please note this is the
Fist year of Operation
beginning 3/26/19

	Current Month Actual	Year to Date Actual
Revenues		
<u>Revenue from Rates</u>		
Residential Sales	\$ 25,740.71	\$ 553,547.48
Commercial Sales	12,581.28	182,263.63
Demand Electric	43,666.05	1,113,275.77
Public Authority	7,760.64	130,601.88
Street Lighting	584.03	5,374.17
Customer Charge	26,326.07	242,370.27
Demand - All Rates	12,033.18	382,596.56
System Charge	-	77,414.14
<u>Other Revenue from Operations</u>	-	-
Biller Penalty (Interest on Delinquent Accts)	1,423.23	16,357.57
Rent - Tower	9,314.19	139,172.44
Rent - Property	7,297.54	79,320.65
Misc. Income (Misc., Interest & Connections)	125.83	4,824.76
Total Revenues	146,852.75	2,927,119.32
Expenses		
<u>GENERATION-Operating Expense</u>		
Total Generation-Operating Expense	10,937.07	137,693.79
Total Generation-Maintenance Expense	4,753.72	63,698.52
Total Distribution-Operating Expense	19,640.78	148,194.10
Total Distribution-Maintenance Expense	15,852.31	135,230.16
Total Customer Accounts/Customer Service	4,867.02	53,557.83
Total Administrative/General Expenses	40,121.21	1,071,083.80
Total Depreciation Expenses	21,647.00	198,285.00
Total Interest Exp on Line & Long- term debt	50,486.12	176,691.20
Total Miscellaneous Expense	585.59	5,253.87
Total Taxes	17,781.84	60,375.92
Total Expenses	186,672.66	2,050,064.19
Net Profit Before Fuel Rev./Exp.	(39,819.91)	877,055.13
<u>Fuel Expenses/(Revenue)</u>		
Fuel/Standard Offer/Transmission income	(144,682.50)	(1,920,169.86)
Purchase Power Expenses	383,962.52	1,875,997.45
Net SO/TC due to ratepayers	105,128.47	44,172.41
Net Fuel Expense/(Revenue)	344,408.49	0.00
Net Income	\$ (384,228.40)	\$ 877,055.13
<u>Reserves Expenditures</u>		
Remove Depreciation Adj (A)	(21,647.00)	(198,285.00)
Debt Service Principal (includes CAT)	-	0.00
Inventory Purchased	2,738.08	49,163.94
Capital Exp - Work In Progress	(639,712.40)	544.08
Capital Exp - Distrib Work	-	-
Capital Exp - Other Assets	647,736.21	708,390.13
Total Reserve for Exp.	(10,885.11)	559,813.15
Net Income Cash Budgetary Basis	\$ (373,343.29)	\$ 317,241.98

Block Island Utility District
Supplemental Information Statement
For the Twelve Months Ending December 31, 2019

Please note this is the
Fist year of Operation
begining 3/26/19

	Dec 2019	Dec 2018	Mar 26, 2019 thru Dec 2019	Mar 26, 2018 thru Dec 2018
Rate Revenues				
Residential Sales	\$ 25,740.71	\$ 24,053.00	\$ 553,547.48	\$ 602,222.03
Commercial Sales	12,581.28	12,068.00	182,263.63	236,490.04
Demand Electric	43,666.05	35,401.00	1,113,275.77	1,045,932.02
Public Authority	7,760.64	7,232.00	130,601.88	127,067.53
Street Lighting	584.03	583.00	5,374.17	5,365.00
Customer Charge	26,326.07	26,072.00	242,370.27	236,663.31
Demand - All Rates	12,033.18	10,225.00	382,596.56	365,301.24
System Charge	-	-	77,414.14	82,866.83
Total Revenues	128,691.96	115,634.00	2,687,443.90	2,701,908.00

-0.54%

Rate Revenues -KWH Usage

Residential Sales	282,865	264,323	3,113,397	3,377,462
Commercial Sales	104,409	100,147	975,844	1,202,712
Demand Electric	400,606	324,783	6,150,499	5,756,245
Public Authority	77,446	72,446	842,169	821,008

Total Revenues

865,326

761,699

11,081,909

11,157,427

-0.68%

Rate Revenues -Customer Counts

Residential Sales	1,262	1,298	11,592	11,926
Commercial Sales	286	297	2,712	2,866
Demand Electric	360	317	3,206	2,596
Public Authority	33	30	300	284

Total Revenues

1,941

1,942

17,810

17,672

	Dec 2019	Dec 2018	Mar 26, 2019 thru Dec 2019	Mar 26, 2018 thru Dec 2018
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Payroll

Capital Exp - Work In Progress

Capitalized Labor	\$ 7,580.98	\$ 6,057.00	\$ 113,486.59	\$ 120,128.33
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Generation-Maintenance Expense

Inside Maintenance	-	-	7,103.05	3,229.28
Maint of Station Equipment	9,620.34	5,887.20	91,245.25	92,578.94

Distribution-Operating Expense

Overhead lines	6,921.16	7,235.76	38,481.39	82,916.00
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Distribution-Maintenance Expense

Overhead Lines	11,285.24	9,288.63	70,855.14	87,106.03
tree trimming		130.40		969.26

Customer Accounts/Customer Service

Records & Collections	4,487.00	4,647.79	44,583.44	45,261.59
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Administrative/General Expenses

Vacation Pay	-	6,944.12	18,182.64	18,037.04
Holidays worked	2,974.72	2,005.36	13,104.74	11,884.96
Holidays not worked	-	-	-	-
Sick Leave	1,167.44	1,602.28	31,343.77	6,471.28
Personal time	675.44	354.96	3,072.56	2,399.24
CEO Salary	13,637.93	11,826.92	120,819.41	104,841.08

Total

\$ 58,350.25

\$ 55,980.42

\$ 552,277.98

\$ 575,823.03

NRUCFC LINE OF CREDIT RENEWAL

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, **Clyde Everett Shorey III**, do hereby certify that (i) I am the Secretary of BLOCK ISLAND UTILITY DISTRICT (hereinafter called the "District"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the District at a meeting held on **February 28, 2020**; (iii) the meeting was duly and regularly called and held in accordance with the State of Rhode Island General Laws and the bylaws of the District; (iv) the District is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the District; (v) none of the following resolutions has been rescinded or modified as of this date; and (vi) the persons authorized below have been duly elected or appointed to their respective positions:

RESOLVED, that the District establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$670,000.00 (the "Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "Line of Credit Agreement"); and,

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents:

- a) the Line of Credit Agreement; and
- b) if required by CFC, an amended, restated or supplemental mortgage, security agreement and financing statement with CFC as mortgagee for purposes of securing the loan provided for herein, in such form as the individuals authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the District to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name (typed or printed)</u>
<u>President</u>	<u>Jeffery M. Wright</u>
<u>Board Chair</u>	<u>Barbara A. MacMullan</u>
<u>Treasurer</u>	<u>William J. Penn</u>
_____	_____

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative
this _____ day of _____, _____

(SEAL)

Secretary

REVOLVING LINE OF CREDIT AGREEMENT

REVOLVING LINE OF CREDIT AGREEMENT (this "Agreement"), dated as of _____, between BLOCK ISLAND UTILITY DISTRICT ("Borrower"), a quasi-municipal corporation organized and existing under the laws of the State of Rhode Island, and NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("CFC"), a cooperative association organized and existing under the laws of the District of Columbia.

RECITALS

WHEREAS, the Borrower has applied to CFC for a line of credit for the purposes set forth in Schedule 1 hereto, and CFC is willing to extend such a line of credit to the Borrower on the terms and conditions stated herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

Section 1.01 For purposes of this Agreement, the following capitalized terms shall have the following meanings (such definitions to be equally applicable to the singular and the plural form thereof). Capitalized terms that are not defined herein shall have the meanings as set forth in the Mortgage.

"APA" shall mean the Asset Purchase Agreement, dated as of January 16, 2019, by and between Block Island Power Company ("BIPCO") and the Borrower.

"Advance" shall mean each advance of funds by CFC to the Borrower pursuant to the terms and conditions of this Agreement.

"Business Day" shall mean any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business.

"CFC Commitment" shall have the meaning ascribed to it in Schedule 1 hereto.

"CFC Line of Credit Rate" shall mean the rate published by CFC from time to time, by electronic or other means, for similarly classified lines of credit, but if not published, then the rate determined for such lines of credit by CFC from time to time.

"Default Rate" shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred (200) basis points.

"Effective Date" shall mean the date designated as such by CFC on the signature page hereof.

"Environmental Laws" shall mean all laws, rules and regulations promulgated by any Governmental Authority, with which the Borrower is required to comply, regarding the use,

treatment, discharge, storage, management, handling, manufacture, generation, processing, recycling, distribution, transport, release of or exposure to any Hazardous Material.

"Event of Default" shall have the meaning as described in Article VI hereof.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority" shall mean the government of the United States of America, any other nation or government, any state or other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Hazardous Material" shall mean any (a) petroleum or petroleum products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls, lead and radon gas, and (b) any other substance designated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Lien" shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set off, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code.

"Line of Credit" shall mean the line of credit extended by CFC to the Borrower, pursuant to this Agreement, in an aggregate principal amount outstanding at any time not to exceed the CFC Commitment.

"Loan Documents" shall mean this Agreement, the Mortgage, and all other documents or instruments executed, delivered or executed and delivered by the Borrower and evidencing, securing, governing or otherwise pertaining to the Line of Credit.

"Maturity Date" shall mean the date set forth in Schedule 1 hereto.

"Mortgage" shall have the meaning as described in Schedule 1 hereto.

"Mortgaged Property" shall have the meaning ascribed to it in the Mortgage.

"Obligations" shall mean any and all liabilities, obligations or indebtedness owing by the Borrower to CFC, of any kind or description, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

"Permitted Encumbrances" shall have the meaning ascribed to it in the Mortgage.

"Person" shall mean natural persons, sole proprietorships, cooperatives, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, associations, companies, trusts or other organizations, irrespective of whether they are legal entities, and Governmental Authorities.

"Public Organic Record" shall have the meaning set forth in the Uniform Commercial Code of the jurisdiction of organization of the Borrower.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 The Borrower represents and warrants to CFC that as of the date of this Agreement:

A. Good Standing. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing in those states in which it is required to be qualified to conduct its business.

B. Authority; Validity. The Borrower has the power and authority to enter into this Agreement and the Mortgage; to make the borrowing hereunder; to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein and in the Mortgage, all of which have been duly authorized by all necessary and proper action; and no consent or approval of any Person, including, as applicable and without limitation, members of the Borrower, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

Each of this Agreement and the Mortgage is, and when fully executed and delivered will be, legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

C. No Conflicting Agreements. The execution and delivery of the Loan Documents and performance by the Borrower of the obligations thereunder, and the transactions contemplated hereby or thereby, will not: (i) violate any provision of law, any order, rule or regulation of any court or other Governmental Authority, any award of any arbitrator, the articles of incorporation or bylaws of the Borrower, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Borrower is a party or by which it or any of its property is bound; or (ii) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien (other than contemplated hereby) upon any of the property or assets of the Borrower.

The Borrower is not in default in any material respect under any agreement or instrument to which it is a party or by which it is bound and no event or condition exists which constitutes a default, or with the giving of notice or lapse of time, or both, would constitute a default under any such agreement or instrument.

D. Taxes. The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed and has paid or caused to be paid all federal, state and local taxes, assessments, and Governmental Authority charges and levies thereon, including interest and penalties to the extent that such taxes, assessments, and Governmental Authority charges and levies have become due, except for such taxes, assessments, and Governmental Authority charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside.

E. Licenses and Permits. The Borrower has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by Governmental Authorities and each remains valid and in full force and effect.

F. Litigation. There are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its properties which, if adversely determined, either individually or collectively, would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower. The Borrower is not, to the Borrower's knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority which would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower.

G. Contingent Obligations; Material Adverse Change. The Borrower has no contingent obligations or extraordinary forward or long-term commitments except as disclosed in writing to CFC prior to the date hereof. There has been no material adverse change in the financial condition or operations of the Borrower from the financial condition or operations of the Borrower as of November 30, 2019 except changes disclosed in writing to CFC prior to the date hereof.

H. Required Approvals. No license, consent or approval of any Governmental Authority is required to enable the Borrower to enter into this Agreement and the Mortgage, or to perform any of its Obligations provided for in such documents, including without limitation (and if applicable), that of any state public utilities commission, any state public service commission, and the Federal Energy Regulatory Commission.

I. Compliance With Laws. The Borrower is in compliance, in all material respects, with all applicable requirements of law and all applicable rules and regulations of each Governmental Authority.

J. Disclosure. To the Borrower's knowledge, information and belief, neither this Agreement nor any document, certificate or financial statement furnished to CFC by or on behalf of the Borrower in connection herewith (all such documents, certificates and financial statements, taken as a whole) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein not misleading.

K. Borrower's Legal Status. Schedule 1 hereto accurately sets forth: (i) the Borrower's name on its Public Organic Record, (ii) the Borrower's organizational type and jurisdiction of organization and, (iii) the Borrower's place of business or, if more than one, its chief executive office as well as the Borrower's mailing address if different.

L. No Other Liens. As to property which is presently included in the description of Mortgaged Property, the Borrower has not, without the prior written approval of CFC, executed or authenticated any security agreement or mortgage, or filed or authorized any financing statement to be filed with respect to assets owned by it, other than security agreements, mortgages and financing statements in favor of CFC, except as disclosed in writing to CFC prior to the date hereof or relating to Permitted Encumbrances.

M. Environmental Matters. Except as to matters which individually or in the aggregate would not have a material adverse effect upon the business or financial condition of the Borrower or its Subsidiaries, (i) the Borrower is in compliance with all Environmental Laws (including, but not limited to, having any required permits and licenses), (ii) there have been no releases (other than releases remediated in compliance with Environmental Laws) from any underground or aboveground storage tanks (or piping associated therewith) that are or were present at the Mortgaged Property, (iii) the Borrower has not received written notice or claim of any violation of any Environmental Law, (iv) there is no pending investigation of the Borrower in regard to any Environmental Law, and (v) to the best of the Borrower's knowledge, there has not been any release or contamination (other than releases or contamination remediated in compliance with Environmental Laws) resulting from the presence of Hazardous Materials on property owned, leased or operated by the Borrower.

ARTICLE III

CREDIT TERMS

Section 3.01 Advances. CFC agrees to advance funds to the Borrower pursuant to the terms and conditions hereof, provided, however, that the principal amount at any time outstanding under this Agreement shall not exceed the CFC Commitment. The Borrower may borrow, repay and reborrow funds at any time or from time to time from the Effective Date up to, but not including, the Maturity Date, at which time all principal amounts outstanding, and accrued, but unpaid interest thereon, shall be due and payable in full.

Advances to be made for purposes of satisfying the Contingent Liability Assumption (as defined in the APA) shall be remitted by CFC directly to the Sara Golinveaux McGinnes 2011 Trust. The Borrower shall provide CFC with wiring instructions and/or such other information as is necessary to remit funds pursuant hereto.

Section 3.02 Payment and Interest Rate. The Line of Credit shall be payable and bear interest as follows:

A. Interest Rate and Payment. The Borrower unconditionally promises and agrees to pay, as and when due, interest on all amounts advanced hereunder from the date of each Advance and to repay all amounts advanced hereunder with interest on the Maturity Date, if not sooner paid. Interest shall be due and payable in accordance with CFC's regular billing cycles as may be in effect from time to time. As of the date hereof, interest shall be due and payable on the last day of each of March, June, September and December. CFC shall provide reasonable prior written notice to the Borrower of any change to the billing cycle or due dates for the payment of interest. CFC shall invoice the Borrower at least five days prior to the due date of any interest payment, provided, however, that CFC's failure to timely send an invoice with respect to any interest payment shall not constitute a waiver by CFC or be deemed to relieve the Borrower of its obligation to make such payment as provided for herein or to repay all amounts advanced hereunder in full with accrued interest as provided for herein. All amounts shall be payable at CFC's main office at 20701 Cooperative Way, Dulles, VA 20166 or at such other location as designated by CFC from time to time. The interest rate on all Advances will be equal to the CFC Line of Credit Rate in effect from time to time. Interest will be computed on the basis of a 365 day year for the actual number of days that any Advance is outstanding. The effective date of an interest rate adjustment will be determined from time to time by CFC, and shall remain in effect until any subsequent change in the interest rate occurs.

B. Application of Payments. Each payment shall be applied to the Obligations, first to any fees, costs, expenses or charges other than interest or principal then due on the Borrower's indebtedness to CFC, second to interest accrued and the balance to principal.

Section 3.03 Limitation on Advances. While an Advance is outstanding, CFC reserves the right to limit further Advances if the sum of (a) all Advances outstanding, (b) the amount of any further Advance requested, and (c) the total amount of Borrower's other unsecured outstanding debt, would exceed \$6,470,000.00.

Section 3.04 Mandatory Prepayment. If there is a change in the Borrower's corporate structure (including without limitation by merger, consolidation, conversion or acquisition), then upon the effective date of such change, (a) the Borrower shall no longer have the ability to request, and CFC shall have no obligation to make, Advances hereunder and (b) the Borrower shall prepay the outstanding principal balance of all Obligations, together with any accrued but unpaid interest thereon, any unpaid costs or expenses provided for herein, and a prepayment premium as set forth in any agreement between the Borrower and CFC with respect to any such Obligation or, if not specified therein, as prescribed by CFC pursuant to its policies of general application in effect from time to time.

Notwithstanding the foregoing, if after giving effect to such change in the Borrower's corporate structure, Borrower, or its successor in interest, is engaged in the furnishing of electric utility services to its members and patrons for their use as ultimate consumers and is organized as a cooperative, nonprofit corporation, public utility district, municipality, or other public governmental body, Borrower shall retain the ability to request, and CFC shall retain the obligation to make, Advances hereunder and no prepayment shall be required under this Section 3.04.

Section 3.05 RESERVED

Section 3.06 Default Rate. If Borrower defaults on its obligation to make a payment due hereunder by the applicable date payment is due, and such default continues for thirty (30) days thereafter, then beginning on the thirty-first (31st) day after the payment is due and for so long as such default continues, Advances shall bear interest at the Default Rate.

ARTICLE IV

CONDITIONS OF LENDING

Section 4.01 Conditions Precedent to Closing. The obligation of CFC to make Advances hereunder shall not become effective until the date on which the following conditions precedent have been satisfied:

A. Legal Matters. All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for CFC.

B. Representations and Warranties. The representations and warranties contained in Article II shall be true on the date hereof.

C. Closing Deliverables. CFC shall have been furnished with the following, in form and substance satisfactory to CFC:

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(i) **Documents.** (a) the executed Loan Documents, (b) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as CFC shall require, (c) an opinion of counsel for the Borrower addressing such legal matters as CFC shall reasonably require, and (d) all other such documents as CFC may reasonably request.

(ii) **Government Approvals.** True and correct copies of all certificates, authorizations, consents, permits and licenses from Governmental Authorities necessary for the execution or delivery of the Loan Documents or performance by the Borrower of the obligations thereunder.

D. Mortgage Recordation. The Mortgage (including any amendments, supplements or restatements as CFC may require from time to time) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide CFC a Lien, subject to Permitted Encumbrances, on all of the Borrower's real property, all in accordance with all applicable laws, rules and regulations, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

E. UCC Filings. Uniform Commercial Code financing statements (and any continuation statements and other amendments thereto that CFC shall require from time to time) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide CFC a perfected security interest, subject to Permitted Encumbrances, in the Mortgaged Property which may be perfected by the filing of a financing statement, all in accordance with all applicable laws, rules and regulations, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

F. Special Conditions of Closing. CFC shall be fully satisfied that the Borrower has complied with all special conditions of closing identified in Schedule 1 hereto.

Section 4.02 Conditions to Advances. The obligation of CFC to make each Advance hereunder is additionally subject to satisfaction of the following conditions:

A. Requisitions. The Borrower will requisition each Advance by submitting its requisition to CFC in form and substance satisfactory to CFC no later than 12:00 noon local time at CFC's offices in Dulles, Virginia on the Business Day prior to the Business Day Borrower seeks to have funds advanced.

CFC may require the Borrower to submit such additional information as it may reasonably require prior to funding the Advance request.

B. Representations and Warranties; Default. The representations and warranties contained in Article II shall be true on the date of the making of each Advance hereunder with the same effect as though such representations and warranties had been made on such date; no Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to each Advance on the books of the Borrower; there shall have occurred no material adverse change in the business or condition, financial or otherwise, of the

Borrower; and nothing shall have occurred which in the opinion of CFC materially and adversely affects the Borrower's ability to perform its obligations hereunder.

C. Special Conditions of Advances. CFC shall be fully satisfied that the Borrower has complied with all special conditions to advance identified in Schedule 1 hereto.

ARTICLE V

COVENANTS

Section 5.01 The Borrower covenants and agrees with CFC that until payment in full of the Line of Credit and performance of all obligations of the Borrower hereunder:

A. Use of Proceeds. The Borrower shall use the proceeds of this Line of Credit solely for the purposes identified on Schedule 1 hereto.

B. Notice. The Borrower shall promptly notify CFC in writing of:

- (i) any material adverse change in the business, operations, prospects, assets, liabilities or financial condition of the Borrower or its subsidiaries;
- (ii) the institution or threat of any litigation or administrative proceeding of any nature involving the Borrower or any subsidiary which could materially affect the business, operations, prospects, assets, liabilities or financial condition of the Borrower or any subsidiary; and
- (iii) the occurrence of an Event of Default hereunder, or any event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

C. Default Notices. Upon receipt of any notices with respect to a default by the Borrower or any subsidiary under the terms of any evidence of any indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto, the Borrower shall, and shall cause each subsidiary to, deliver copies of such notice to CFC.

D. Financial Books; Financial Reports; Right of Inspection. The Borrower will at all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Borrower, in accordance with GAAP. The Borrower will cause to be prepared and furnished to CFC within one hundred twenty (120) days of the end of each of the Borrower's fiscal years during the term hereof, a full and complete consolidated and consolidating report of its financial condition and statement of its operations as of the end of such fiscal year, audited and certified by independent certified public accountants nationally recognized or otherwise satisfactory to CFC and accompanied by a report of such audit in form and substance satisfactory to CFC, including without limitation a consolidated and consolidating balance sheet and the related consolidated and consolidating statements of income and cash flow. CFC, through its representatives, shall at all times during reasonable business hours and upon prior notice have access to, and the right to inspect and make copies of, any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind

belonging to or in the possession of the Borrower or in any way pertaining to its property or business.

E. Compliance With Laws. The Borrower and each subsidiary shall remain in compliance, in all material respects, with all applicable requirements of law and applicable rules and regulations of each Governmental Authority.

F. Taxes. The Borrower shall pay, or cause to be paid all taxes, assessments or Governmental Authority charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except for any taxes, assessments or charges that are being contested in good faith and with respect to which adequate reserves as determined in good faith by Borrower have been established and are being maintained.

G. Notice of Additional Secured Debt. The Borrower will notify CFC promptly in writing if it incurs any additional secured indebtedness other than indebtedness to CFC or indebtedness otherwise provided for in the Mortgage.

H. Further Assurances. The Borrower shall execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, rule or regulation, or which CFC may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created thereby. The Borrower also agrees to provide to CFC, from time to time upon request, evidence reasonably satisfactory to CFC as to the perfection and priority of the Liens created or intended to be created by the Loan Documents.

I. Environmental Covenants. The Borrower shall:

- (i) at its own cost, comply in all material respects with all applicable Environmental Laws, including, but not limited to, any required remediation; and
- (ii) if it receives any written communication alleging the Borrower's violation of any Environmental Law, provide CFC with a copy thereof within ten (10) Business Days after receipt, and promptly take appropriate action to remedy, cure, defend, or otherwise affirmatively respond to the matter.

J. Organizational Change. The Borrower will not, directly or indirectly, without CFC's prior written consent, change its type of organization or other legal structure, except as permitted by Section 5.02.A. hereof, in which case the Borrower shall provide at least thirty (30) days prior written notice to CFC together with all documentation reflecting such change as CFC may reasonably require.

K. Notice of Change in Borrower Information. The Borrower will not, directly or indirectly, without CFC's prior written consent, change its (i) state of incorporation, (ii) legal name, or (iii) mailing address, unless the Borrower provides written notice to CFC at least thirty (30) days prior to the effective date of any such change together with all documentation reflecting any such change as CFC may reasonably require.

L. Special Covenants. The Borrower will comply with any special covenants identified in Schedule 1 hereto.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 The following shall be "Events of Default" under this Agreement:

A. Representations and Warranties. Any representation or warranty made by the Borrower herein, or in any of the other Loan Documents, or in any certificate or financial statement furnished to CFC hereunder or under any of the other Loan Documents shall prove to be false or misleading in any material respect.

B. Payment. The Borrower shall fail to pay (whether upon stated maturity, by acceleration, or otherwise) any principal, interest, premium (if any) or other amount payable under the Line of Credit and the Loan Documents within five (5) Business Days after the due date thereof.

C. Other Covenants.

(i) **No Grace Period.** Failure of the Borrower to observe or perform any covenant or agreement contained in Sections 5.01.A, 5.01.C, 5.01.D, 5.01.J., 5.01.K, or 5.01.L, of this Agreement.

(ii) **Thirty Day Grace Period.** Failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement or any of the other Loan Documents, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by CFC.

D. Legal Existence, Permits and Licenses. The Borrower shall forfeit or otherwise be deprived of (i) its authority to conduct business in the jurisdiction in which it is organized or in any other jurisdiction where such authority is required in order for the Borrower to conduct its business in such jurisdiction or (ii) permits, easements, consents or licenses required to carry on any material portion of its business.

E. Other CFC Obligations. The Borrower shall be in breach or default of any Obligation, which breach or default continues uncured beyond the expiration of any applicable grace period.

F. Other Obligations. The Borrower shall (i) fail to make any payment of any principal, premium or any other amount due or interest on any indebtedness with parties other than CFC which shall remain unpaid beyond the expiration of any applicable grace period, or (ii) be in breach or default with respect to any other term of any evidence of any other indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto which breach or default continues uncured beyond the expiration of any applicable grace period, if the effect of such failure, default or breach is to cause the holder or holders of that indebtedness to cause that indebtedness to become or be declared due prior to its stated maturity (upon the giving or receiving of notice, lapse of time, both or otherwise).

G. Involuntary Bankruptcy. An involuntary case or other proceeding shall be commenced against the Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall continue without dismissal or stay for a period of sixty (60) consecutive days; or an order for relief shall be entered against the Borrower under the federal bankruptcy laws or applicable state law as now or hereafter in effect.

H. Insolvency. The Borrower shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or be generally unable to, pay its debts as they become due, or shall take any action to authorize any of the foregoing.

I. Dissolution or Liquidation. Other than as provided in subsection H. above, the dissolution or liquidation of the Borrower, or failure by the Borrower promptly to forestall or remove any execution, garnishment or attachment of such consequence as will impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within sixty (60) consecutive days.

J. Material Adverse Change. Any material adverse change in the business or condition, financial or otherwise, of the Borrower or any subsidiary.

K. Monetary Judgment. The Borrower shall suffer any money judgment not covered by insurance, writ or warrant of attachment or similar process involving an amount in excess of \$100,000 and shall not discharge, vacate, bond or stay the same within a period of sixty (60) consecutive days.

L. Nonmonetary Judgment. One or more nonmonetary judgments or orders (including, without limitation, injunctions, writs or warrants of attachment, garnishment, execution, distraint, replevin or similar process) shall be rendered against the Borrower that, either individually or in the aggregate, could reasonably be expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower.

ARTICLE VII

REMEDIES

Section 7.01 If any Event of Default shall occur after the date of this Agreement and shall not have been remedied within the applicable grace period therefor, then in every such event (other than an event described in Section 6.01.G, 6.01.H or 6.01.I) and at any time during the continuance of such event, CFC may:

- (a) Cease making Advances hereunder;

- (b) Declare all unpaid principal outstanding on the Line of Credit, all accrued and unpaid interest thereon, and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived;
- (c) Exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by CFC or owed to the Borrower or for the credit or account of the Borrower against any and all of the Obligations of the Borrower now or hereafter existing hereunder or under the Line of Credit, including, but not limited to, patronage capital allocations and retirements, money due to the Borrower from equity certificates purchased from CFC, and any membership or other fees that would otherwise be returned to the Borrower. The rights of CFC under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which CFC may have. The Borrower waives all rights of setoff, deduction, recoupment or counterclaim;
- (d) Pursue all rights and remedies available to CFC that are contemplated by the Mortgage and the other Loan Documents in the manner, upon the conditions, and with the effect provided in the Mortgage and the other Loan Documents, including, but not limited to, a suit for specific performance, injunctive relief or damages; and
- (e) Pursue any other rights and remedies available to CFC at law or in equity.

If any Event of Default described in Section 6.01.G, 6.01.H or 6.01.I shall occur after the date of this Agreement, then CFC's commitment to make Advances hereunder shall automatically terminate and the unpaid principal outstanding hereunder, all accrued and unpaid interest thereon, and all other Obligations shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived. In addition, CFC may pursue all rights and remedies available to CFC that are contemplated by the Mortgage and other Loan Documents in the manner, upon the conditions, and with the effect provided in the Mortgage and the other Loan Documents, including, but not limited to, a suit for specific performance, injunctive relief or damages and any other rights and remedies available to CFC at law or in equity.

Nothing herein shall limit the right of CFC to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default. Each right, power and remedy of CFC shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notices. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by facsimile) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. All such communications shall be deemed to have been duly given (a) when personally

delivered including, without limitation, by overnight mail or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (c) in the case of notice by facsimile, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (a) or (b) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

The Borrower:

The address set forth in
Schedule 1 hereto

CFC:

National Rural Utilities Cooperative Finance Corporation:
20701 Cooperative Way
Dulles, Virginia 20166
Attention: General Counsel
Fax # 866-230-5635

Section 8.02 Expenses. The Borrower shall reimburse CFC for any reasonable costs and out-of-pocket expenses paid or incurred by CFC (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions CFC takes, (a) to enforce the payment of any Obligation, to effect collection of any Mortgaged Property, or in preparation for such enforcement or collection, (b) to institute, maintain, preserve, enforce and foreclose on CFC's security interest in or Lien on any of the Mortgaged Property, whether through judicial proceedings or otherwise, (c) to restructure any of the Obligations, (d) to review, approve or grant any consents or waivers hereunder, (e) to prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (f) to prepare, negotiate, execute, deliver, review, amend or modify any other agreements, documents and instruments deemed necessary or appropriate by CFC in connection with any of the foregoing.

The amount of all such expenses identified in this Section 8.02 shall be secured by the Mortgage and shall be payable upon demand, and if not paid, shall accrue interest at the then prevailing CFC Line of Credit Rate plus two hundred (200) basis points.

Section 8.03 Late Payments. If payment of any amount due hereunder is not received at CFC's office in Dulles, Virginia or such other location as CFC may designate to the Borrower, within five (5) Business Days after the due date thereof, the Borrower will pay to CFC, in addition to all other amounts due under the terms of the Loan Documents, any late payment charge as may be fixed by CFC from time to time pursuant to its policies of general application as in effect from time to time.

Section 8.04 Non-Business Day Payments. If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

Section 8.05 Filing Fees. To the extent permitted by law, the Borrower agrees to pay all expenses of CFC (including the reasonable fees and expenses of its counsel) in connection with the filing, registration, recordation or perfection of the Mortgage and any other security

instruments as may be required by CFC in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to execution, filing, registration or recordation of any document or instrument in connection herewith. The Borrower agrees to save harmless and indemnify CFC from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by CFC in connection with this Agreement. The provisions of this subsection shall survive the execution and delivery of this Agreement and the payment of all other amounts due under the Loan Documents.

Section 8.06 CFC Accounts. Borrower agrees that the records of, and all computations by, CFC (in whatever media they are recorded or maintained) as to the amount of principal, interest and fees due on the Line of Credit shall be conclusive in the absence of manifest error.

Section 8.07 Waiver; Modification. No failure on the part of CFC to exercise, and no delay in exercising, any right or power hereunder or under the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by CFC of any right hereunder, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement or the other Loan Documents and no consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent, and then such modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

SECTION 8.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(A) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(B) THE BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTIONS THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(C) THE BORROWER AND CFC EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 8.09 INDEMNIFICATION. THE BORROWER HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS, AND DEFEND CFC AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS AND REPRESENTATIVES (EACH AN

"INDEMNITEE") FOR, FROM, AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS AND EXPENSES OF LITIGATION AND REASONABLE ATTORNEYS' FEES) ARISING FROM ANY CLAIM OR DEMAND IN RESPECT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, THE MORTGAGED PROPERTY, OR THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ARISING AT ANY TIME, WHETHER BEFORE OR AFTER PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN FULL, EXCEPTING ANY SUCH MATTERS ARISING SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.11 HEREOF, THE OBLIGATIONS IMPOSED UPON THE BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE LINE OF CREDIT, THE TERMINATION OF THIS AGREEMENT, AND THE TERMINATION OR RELEASE OF THE LIEN OF THE MORTGAGE.

Section 8.10 Complete Agreement. This Agreement, together with any schedules and exhibits hereto and the other Loan Documents, and the other agreements and matters referred to herein or by their terms referring hereto, is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement. In the event of any conflict in the terms and provisions of this Agreement and any other Loan Documents, the terms and provisions of this Agreement shall control.

Section 8.11 Survival; Successors and Assigns. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall survive the execution and delivery to CFC of the Loan Documents and the making of the Advances hereunder and shall continue in full force and effect until all of the obligations under the Loan Documents have been paid in full. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of CFC. The Borrower shall not have the right to assign its rights or obligations under this Agreement.

Section 8.12 Use of Terms. The use of the singular herein shall also refer to the plural, and vice versa.

Section 8.13 Headings. The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

Section 8.14 Severability. If any term, provision or condition, or any part thereof, of this Agreement or the other Loan Documents shall for any reason be found or held invalid or unenforceable by any court of competent jurisdiction or other Governmental Authority, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement and the other Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

Section 8.15 Binding Effect. This Agreement shall become effective when it shall have been executed by both the Borrower and CFC and thereafter shall be binding upon and inure to the benefit of the Borrower and CFC and their respective successors and assigns.

Section 8.16 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

Section 8.17 Security. This Line of Credit and the obligations of the Borrower hereunder are secured under the Mortgage.

Section 8.18 Schedule 1. Schedule 1 attached hereto is an integral part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BLOCK ISLAND UTILITY DISTRICT

(SEAL)

By: _____

Title: _____

Attest: _____
Secretary

NATIONAL RURAL UTILITIES COOPERATIVE
FINANCE CORPORATION

(SEAL)

By: _____
Assistant Secretary-Treasurer

Attest: _____
Assistant Secretary-Treasurer

Effective Date: _____ (to be filled in by CFC)

Loan Number: RI001-R-9902

SCHEDULE 1

1. The purpose of this Line of Credit is (a) \$370,000.00 to provide funds for the Borrower's general corporate use, consistent with the Borrower's articles of incorporation, bylaws and applicable federal, state and local laws and regulations and (b) \$300,000.00 to provide funds for the Borrower to satisfy the Contingent Liability Assumption (as defined in the APA).
2. The aggregate CFC Commitment shall mean \$670,000.00, provided, however, that if the Borrower is subject to an order from a Governmental Authority limiting the amount of indebtedness that the Borrower may incur under this Agreement, then the aggregate CFC Commitment shall mean the lesser amount specified in such order unless the Borrower obtains additional authority to increase said amount.
3. Maturity Date shall mean the date twelve (12) months from the Effective Date.
4. The Mortgage shall mean the Mortgage and Security Agreement dated as of August 15, 2019, between the Borrower and CFC, as it may be supplemented, amended, consolidated, or restated from time to time, including by the First Supplement to Mortgage Supplement dated as of August 21, 2019.
5. The Borrower's exact legal name is: Block Island Utility District
6. The Borrower's organizational type is: quasi-municipal corporation
7. The Borrower is organized under the laws of the state of: Rhode Island
8. The place of business or, if more than one, the chief executive office of the Borrower referred to in Section 2.01.K is 100 Ocean Avenue, Block Island, RI 02807.
9. The special conditions of closing referred to in Section 4.01.F are as follows: None
10. The special conditions of advance referred to in Section 4.02.C are as follows: None
11. The special covenants referred to in Section 5.01.L are as follows: None

12. The address for notices to the Borrower referred to in Section 8.01 is:

If by personal delivery (including overnight mail or courier service):

BLOCK ISLAND UTILITY DISTRICT
100 Ocean Avenue
Block Island, RI 02807

Attention: General Manager

If by United States mail:

BLOCK ISLAND UTILITY DISTRICT
P.O. Box 518
Block Island, RI 02807
Attention: General Manager

If by facsimile: 401-466-5851

AGENDA ITEM 6
PRESIDENT'S REPORT

My update this month will be very limited in order to allow adequate time to discuss and approve the draft net metering tariff. My update will a short verbal status update on mostly regulatory and environmental activities.

AGENDA ITEM 7
NET METERING

Proposed Net Metering Policy

The proposed Net Metering tariff I have included in your materials is consistent with what was presented at the last three meetings with some exceptions:

- 1) The proposed concept of the Utility District accepting and brokering Renewable Energy Credits has been removed. This simplifies the proposed policy and avoids the risk of crediting the consumer/member with more than the Utility District may sell them for.
- 2) For simplicity and consistency with the net metering statute, I have set a cap at 15% of the annual BIUD peak. This will result in approximately 50% PV penetration during the off season. We will need to begin studying the system impacts and technical requirements for penetration greater than 50%.
- 3) I am proposing that we allow systems larger than 15 KW provided the system can be disconnected by the Utility District for system emergencies – particularly system instability – by means of a remote AMI disconnect.
- 4) The Net Metering Policy proposal is based on Pascoag Utility District's policy.
- 5) It is important to note that Pascoag Utility District meters Net Metering Systems separately from consumption as we are proposing. They base their credit on Standard Offer ONLY which does adjust annually.
- 6) Pascoag's 2019 credit was \$.07793.

PROPOSED

BLOCK ISLAND UTILITY DISTRICT NET METERING POLICY

POLICY

This policy sets forth interconnection requirements, equipment specifications, and proposed metering for Block Island Utility District consumer/members who may choose self-generation of electric energy using photovoltaic (PV), or wind co-generation electric generating equipment. The program is available to all customers regardless of consumer class.

DEFINITIONS

"Net metering" means a system of metering electricity in which Block Island Utility District credits a Block Island Utility District consumer/member for generation.

"Net Metering System" means the system that includes the consumer/member's generator and interconnecting equipment.

"Consumption Meter" means the meter for which all consumer/member usage is metered though and billed at the appropriate retail rate.

"Generation Meter" means the meter for which all generation is metered through and credited at the Net Metering Rate.

"Generation Credit" means the credit allocated to the consumer/member's bill in the form of a bill credit for all metered generation. The Generation Credit which will be based on the Utility District's Standard Offer and Transmission Rates – minus – the Non-Bypassable Charges imbedded within those rates. Examples of Non-Bypassable Charges are National Grid's Direct Assignment Facilities fixed charges and BIUD's amortization of the transmission interconnection.

"Non-Bypassable Charges" means those portions of the Utility District's Standard Offer and Transmission Rates that are fixed and not a function of consumption or production.

"Standard Offer and Transmission Rates" means those tariffs that identify specific variable and non-bypassable charges that are used in calculating the Net Metering Rate.

“Annual Reconciliation” means the regulatory filing done annually to determine the Standard Offer, Transmission and Net Metering Rate.

“Utility District” means the Block Island Utility District dba Block Island Power Company.

GENERAL PROVISIONS

1. The Utility District will continue to administer its existing program for those Net Metering Systems installed prior to December 31, 2019 as set forth in the Net Metering Policy effective January 1, 2018 until which time the consumer/member replaces, or upgrades an existing system which changes the rated nameplate AC output of the Net Metering System.
2. Pursuant to this Net Metering Policy, the Utility District will offer net metering to consumer/members who generate electricity, metered by a sperate generation meter provided that the generating capacity of the customer-generating facility does not exceed fifteen (15) kilowatts AC output.
3. Net Metering Systems will be required to be metered separately from the consumer/members Consumption Meter. The Generation Credit will be applied to the consumer/member's specific retail account.
4. Net Metering Systems larger than fifteen (15) kilowatts must be reviewed on a case-by-case basis and if approved will be required to have a remote disconnect installed on the generation meter.
5. The Utility District will continue to allow Net Metering Systems to be installed until the total installed nameplate AC output capacity of all Net Metering Systems reaches 15% of the Utility Districts annual peak load.
6. The customer is solely responsible for securing and complying with all local permitting processes including zoning; electrical, building inspection, and any and all other special permits that may be required.
7. Eligible generating sources include, energy resources as described by and pursuant to §39-26-5(a) including sources which simultaneously generate electricity and recover heat.

Traditional gasoline, diesel, propane or natural gas fired portable or permanently mounted emergency generators are explicitly excluded from this policy.

METERS AND METERING

1. PV and wind systems require the installation of a smart (AMI) meter by the Utility District. Co-generation facilities used for net metering shall be equipped with two meters. An additional meter socket (meter type and location must be approved by the Utility District) will be installed by the customer to measure the amount of electricity produced by the generating facility.
2. The generating facility must be inverter-based.
3. The aggregate generation capacity on the distribution circuit to which the Net Metering system will interconnect, including the capacity of the Net Metering system shall not contribute more than 10% to the distribution circuit's maximum fault current at the point on the high voltage (primary) level that is nearest the proposed point of common coupling.
4. If a single-phase Net Metering System is to be connected to a transformer center tap neutral of a 240 volt service, the addition of the Net Metering system shall not create an imbalance between the two sides of the 240 volt service of more than 20% of nameplate rating of the service transformer.
5. The consumer/member shall be required to install a manual-disconnect located on the line side, within 10 feet of the meter, and outside of the residence or building that the Net Metering system serves. Disconnect must be clearly labeled, unlocked and readily accessible by utility personnel.
6. The interconnecting consumer/member will be responsible for reasonable and necessary costs incurred by the Utility District for the purchase, installation, operation, maintenance, testing, repair and replacement of metering and data acquisition equipment.
7. If, at any time any metering equipment is found to be inaccurate by a margin greater than that allowed under applicable rules and standards, the Utility District shall cause such metering equipment to be made accurate or replaced. The cost to repair or replace the meter shall be borne by the Utility District. Meter readings for the period of inaccuracy shall be adjusted so far as the same can be reasonably ascertained; provided, however, no adjustment prior to the beginning of the preceding month shall be made except by agreement of the Parties. Each Party shall comply with any reasonable request of the other concerning the sealing of meters, the presence of a representative of the other Party when the seals are broken and the tests are made, and other matters affecting the accuracy of the measurement of electricity delivered from the Facility. If either Party believes that there has been a meter failure or stoppage, it shall immediately notify the other.

PRICE CREDITS AND SAMPLE CALCULATIONS

The amount credited to the consumer/member for electricity produced by the Net Metering System, shall be at the Generation Credit rate regardless of the type of generating facility.

Each consumer/member's net metering bill will undergo a monthly reconciliation of the Generation Credit and Consumption Metered usage. In the event the amount due on the consumer/member's bill is a negative number, this amount will be carried over to their next bill as a credit. If a credit is maintained for more than two years the member/consumer will forfeit the credit balance.

The Utility District shall own the meter and the consumer/member shall pay to the Utility District monthly charges to cover meter maintenance, incremental reading and billing costs and administration costs. These charges are defined as follows:

Customer Charge: The charge consists of the customer service, accounting and billing costs as determined by the Utility District's most recent Cost of Service Study (COS). This charge is set at \$4.75 and will be updated with subsequent COS studies.

Connection Charge: The charge consists of the fixed ISO-NE costs and ancillary services as identified and set forth in the Utility District's annual Standard Offer and Transmission Reconciliation. This charge is set at \$8.50 through June 1, 2020 at which time it will be adjusted based on the Utility District's annual Standard Offer and Transmission reconciliation.

Meter Charge: The charge consists of the annualized cost (divided by twelve) of the installed cost, operation and maintenance of the BIUD installed meter equipment based on the Utility District's most recent Cost of Service Study. This charge is set at \$2.00 until adjusted

These charges are set forth in the applicable tariff and will be updated annually.

The Generation Credit will be set annually and filed with the Utility District's Annual Standard Offer and Transmission Reconciliation Filing with the RI-PUC. The Generation Credit will be reviewed and approved with the Utility District's Standard Offer and Transmission rate and the new Generation Credit will change and be in effect at the same time as the Standard Offer and Transmission Rate change.

Note: The Utility District has calculated the Net Metering Rate to be \$0.1390 for the current

period through June 1, 2020. This will be reconciled with the Utility District's annual Standard Offer and Transmission Reconciliation that will go into effect June 1, 2020.

DISCONNECTION DURING OPERATING EMERGENCIES

The Utility District requires any Net Metering System with the nameplate AC output greater than 15 kilo-watts to have a remote disconnect install that allows the Utility District to disconnect the Net Metering System from the system disrupting generation output during system emergencies. The Utility District reserves the right to deem what constitutes a system emergency and is not required to notify the consumer/member beforehand, but rather will report system emergencies that resulted in disrupting the Net Metering System's generation in the next billing cycle.

The remote disconnect will be provided by the Utility District and will be controlled only by them.

REQUIREMENTS FOR INVERTER BASED SYSTEMS

1. The Utility District's distribution circuits generally operate with automatic re-closers, which activate following a fault and line trip. The consumer/member is responsible for protecting their net metering equipment from being re-connected out of synch with the Utility District's system.
2. For Net Metering Systems that utilize PV technology, it is required that the system be installed in compliance with IEEE Standard 929-2000, "IEEE Recommended Practice for Utility Interface of PV Systems". The inverter shall meet the Underwriters Laboratories Inc. Standard UL 1741, Static Inverters and Charge Controllers for Use in PV Power Systems.". Based on the information supplied by the Interconnecting Customer, if the Utility District determines the inverter is in compliance with UL 1741, the Interconnecting Customer's request for interconnection will be approved.
3. For Net Metering Systems that utilize wind technology or other direct current energy sources and employ inverters for production of alternating current, the inverter shall meet the Underwriters Laboratories Inc. Standard UL 1741, "Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems." Based on the information supplied by the Interconnecting Customer, if the Utility District determines the inverter is in compliance with UL 1741, the Interconnecting Customer's request for interconnection will be approved,
4. The following information must be submitted by the interconnecting consumer/member for review and acceptance by the Utility District prior to approving the interconnecting consumer/member's request for interconnection: .

- An electrical one-line diagram or sketch depicting how the inverter will be Interconnected relative to the service entrance panel and the electric revenue meter.
- The make, model and manufacturer's specification sheet for the inverter

FORCE MAJEURE

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond either party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Utility District, nor the interconnecting consumer/member will be considered in default as to any obligation under Interconnection Requirements if prevented from fulfilling the obligation due to an event of Force Majeure. However, a party whose performance is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Interconnection Requirements.

INDEMNIFICATION

The interconnecting consumer/member shall at all times indemnify, defend, and hold Utility District harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Utility Districts performance of its obligations under this Interconnection Requirements on behalf of the interconnecting consumer/member except in cases of gross negligence or intentional wrongdoing by the Utility District.

PROTECTION REQUIREMENTS

If, due to the interconnection of the Facility, when combined with pre-existing facilities interconnected to the Utility Districts system, the rating of any of the Utility Districts equipment or the equipment of others connected to the Utility Districts system will be exceeded or its control function will be adversely affected, the Utility District shall have the right to require the Interconnecting Customer to pay for the purchase, installation, replacement or modification of equipment to eliminate the condition. Where such action is Deemed necessary by the Utility District, the Utility District will, where possible, permit the interconnecting consumer/member to choose among two or more options for meeting the Utility Districts requirements as described in this protection policy.

ACCESS AND CONTROL

Representatives of the Utility District shall, at all reasonable times, have access to the Net Metering System to make reasonable inspections. At the Net Metering System, the Utility District's representatives shall identify themselves to the interconnecting consumer/member's representative, state the object of their visit, and conduct themselves in a manner that will not interfere with the construction or operation of the Facility. The Utility District will have control such that it may open or close the aforementioned required main disconnect switch.

Filing Date:

Requested
Effective Date:

AGENDA ITEM 8

REVIEW AND ACT ON BIUD ROOF TOP SOLAR PROJECT

Design 2 Block Island Power, 100 Ocean Ave, New Shoreham, RI 02807

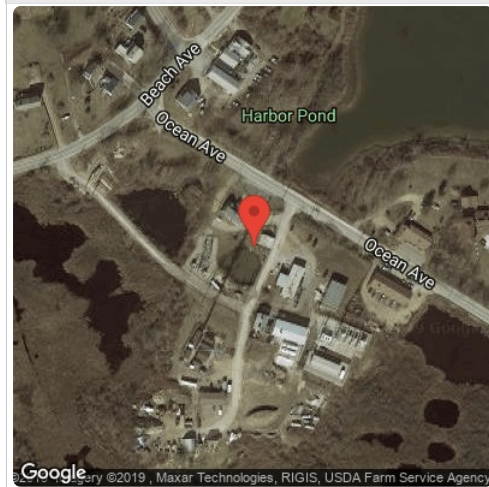
Report

Project Name	Block Island Power
Project Address	100 Ocean Ave, New Shoreham, RI 02807
Prepared By	David Reidy david@thecoolenergy.com

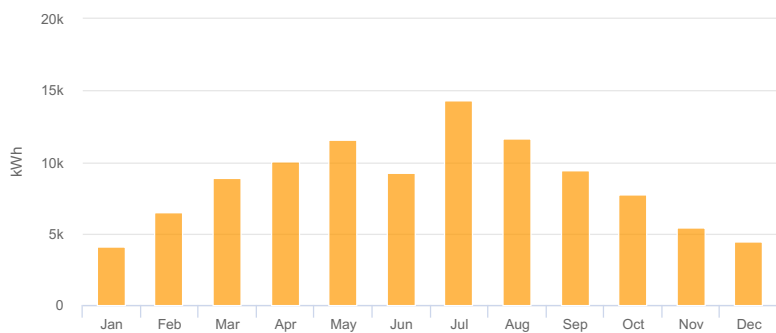
System Metrics

Design	Design 2
Module DC Nameplate	92.0 kW
Inverter AC Nameplate	70.1 kW Load Ratio: 1.31
Annual Production	103.3 MWh
Performance Ratio	85.3%
kWh/kWp	1,122.9
Weather Dataset	TMY, BLOCK ISLAND STATE ARPT, NSRDB (tmy3, II)
Simulator Version	b131f2d5e8-614de07c4c-7fa5958ea0-67f6680e13

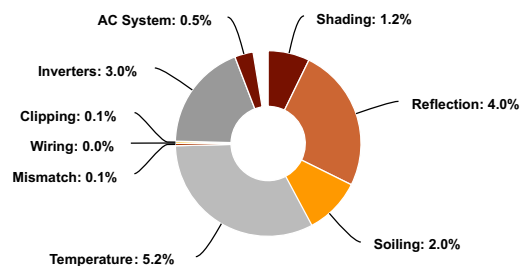
Project Location



Monthly Production



Sources of System Loss



Annual Production

	Description	Output	% Delta
Irradiance (kWh/m ²)	Annual Global Horizontal Irradiance	1,298.2	
	Adjusted Global Horizontal Irradiance	1,298.2	0.0%
	POA Irradiance	1,317.0	1.4%
	Shaded Irradiance	1,301.7	-1.2%
	Irradiance after Reflection	1,249.2	-4.0%
	Irradiance after Soiling	1,224.3	-2.0%
	Total Collector Irradiance	1,223.9	0.0%
Energy (kWh)	Nameplate	112,606.9	
	Output at Irradiance Levels	113,075.9	0.4%
	Output at Cell Temperature Derate	107,185.7	-5.2%
	Output After Mismatch	107,107.8	-0.1%
	Optimal DC Output	107,107.8	0.0%
	Constrained DC Output	107,051.2	-0.1%
	Inverter Output	103,826.0	-3.0%
	Energy to Grid	103,286.0	-0.5%
Temperature Metrics			
	Avg. Operating Ambient Temp		12.7 °C
	Avg. Operating Cell Temp		25.9 °C
Simulation Metrics			
	Operating Hours	4391	
	Solved Hours	4391	

Condition Set

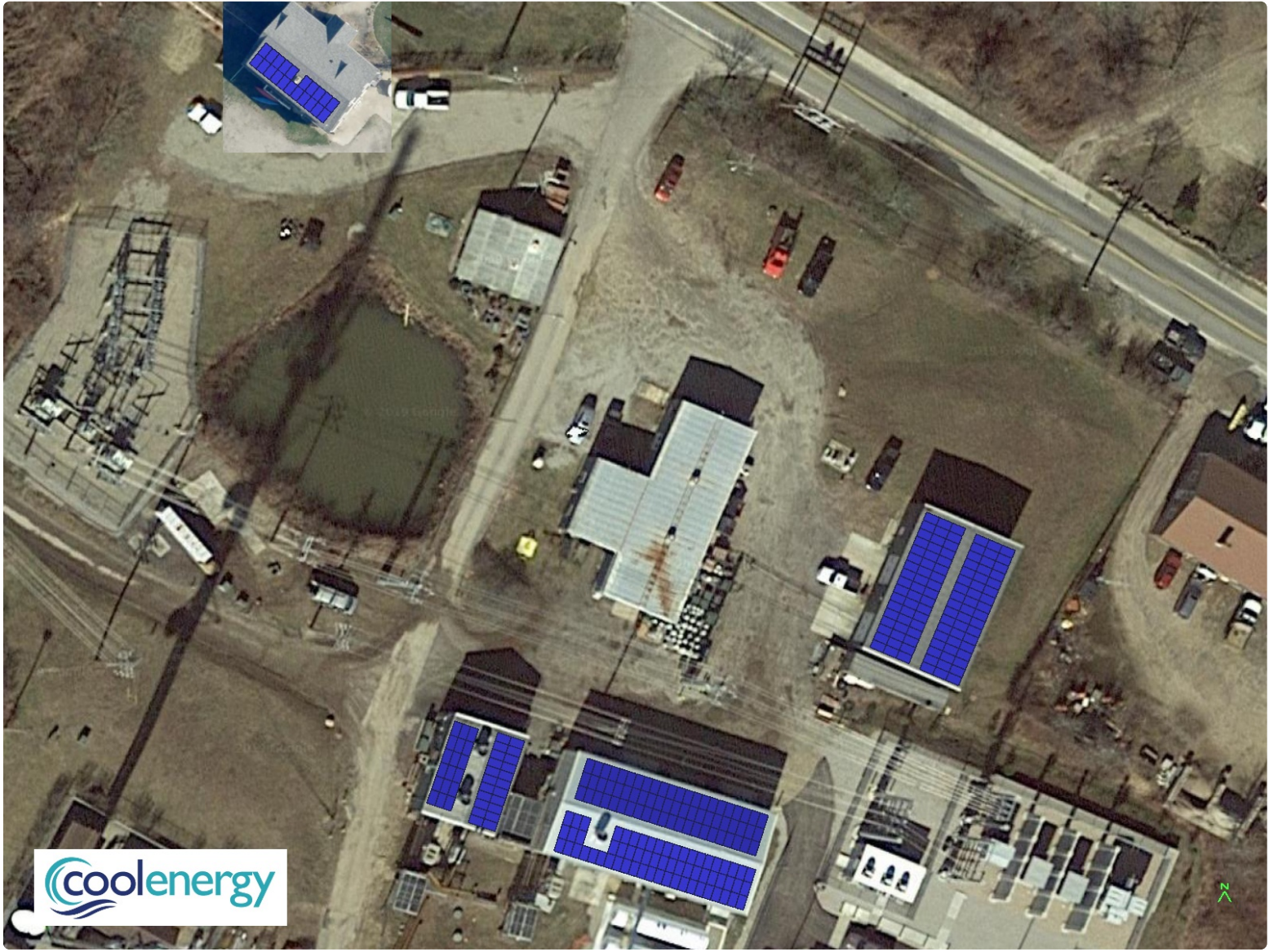
Description	Condition Set 1											
Weather Dataset	TMY, BLOCK ISLAND STATE ARPT, NSRDB (tmy3, II)											
Solar Angle Location	Meteo Lat/Lng											
Transposition Model	Perez Model											
Temperature Model	Sandia Model											
Temperature Model Parameters	Rack Type	a	b	Temperature Delta								
	Fixed Tilt	-3.56	-0.075	3°C								
	Flush Mount	-2.81	-0.0455	0°C								
Soiling (%)	J	F	M	A	M	J	J	A	S	O	N	D
	2	2	2	2	2	2	2	2	2	2	2	2
Irradiation Variance	5%											
Cell Temperature Spread	4° C											
Module Binning Range	-2.5% to 2.5%											
AC System Derate	0.50%											
Module Characterizations	Module	Uploaded By		Characterization								
	JKM 315M-60H-V (Jinkosolar)	Folsom Labs		Jinko_JKM_315M_60H_V (G3.2_F35).PAN, PAN								
Component Characterizations	Device	Uploaded By		Characterization								
	IQ7-60-2-US (ENPHASE)	Folsom Labs		Spec Sheet								

Components		
Component	Name	Count
Inverters	IQ7-60-2-US (ENPHASE)	292 (70.1 kW)
AC Branches	1/0 AWG (Aluminum)	15 (15,516.0 ft)
Module	Jinkosolar, JKM 315M-60H-V (315W)	292 (92.0 kW)

Wiring Zones			
Description	Combiner Poles	String Size	Stringing Strategy
Wiring Zone	12	1-1	Along Racking

Field Segments									
Description	Racking	Orientation	Tilt	Azimuth	Intrarow Spacing	Frame Size	Frames	Modules	Power
Field Segment 1	Flush Mount	Portrait (Vertical)	23°	218.83°	0.0 ft	1x1	21	21	6.62 kW
Field Segment 4	Flush Mount	Portrait (Vertical)	9.6°	112.754°	0.0 ft	1x1	51	51	16.1 kW
Field Segment 5	Flush Mount	Portrait (Vertical)	9.6°	112.754°	0.0 ft	1x1	51	51	16.1 kW
Field Segment 6	Flush Mount	Portrait (Vertical)	9.6°	197.337°	0.0 ft	1x1	63	63	19.8 kW
Field Segment 8	Flush Mount	Portrait (Vertical)	9.6°	108.258°	0.0 ft	1x1	22	22	6.93 kW
Field Segment 9	Flush Mount	Portrait (Vertical)	9.6°	17.5204°	0.0 ft	1x1	66	66	20.8 kW
Field Segment 11	Flush Mount	Landscape (Horizontal)	9.6°	288.764°	0.0 ft	1x1	18	18	5.67 kW

Detailed Layout



SOLAR INITIATIVE PROJECT AGREEMENT

This Solar Initiative Project Agreement ("Agreement") is made and entered into by and between HBC Affordable Apartments, Inc ("HBCAA") and the Block Island Utility District d/b/a The Block Island Power Company ("BIUD") (each a "Party," and collectively the "Parties").

WHEREAS, HBCAA is a not for profit corporation operating on Block Island which has a business address of P.O. Box 534, Block Island, RI 02807.

WHEREAS, BIUD is a not for profit quasi-municipal corporation which operates as a member-owned public utility engaged in the business of providing safe, reliable and affordable utility products and services to customers on Block Island and has a business address of 100 Ocean Avenue, P.O. Box 518, Block Island, RI 02807.

WHEREAS, HBCAA intends to fund the purchase and installation of solar photovoltaic panels on Block Island in order to increase the use of clean, local solar energy on Block Island and reduce reliance on fossil fuels.

WHEREAS, BIUD supports the use of clean, local solar energy on Block Island and wishes to install solar photovoltaic panels and related equipment on BIUD property.

WHEREAS, the Parties desire to set forth in this Agreement the terms and conditions upon which HBCAA intends to fully fund the purchase and installation of solar photovoltaic panels and related equipment on BIUD property.

WHEREAS, the Parties desire that ownership of the solar photovoltaic panels and all related equipment shall be granted to BIUD at no cost to BIUD.

NOW THEREFORE, for valuable consideration and intending to be legally bound hereby, the Parties agree as follows:

1. HBCAA and BIUD shall jointly select the solar photovoltaic panels and related equipment (“Solar PV Equipment”) to be installed on BIUD property.
2. HBCAA shall purchase the Solar PV Equipment.
3. HBCAA and BIUD shall jointly select a qualified solar installation company to install the Solar PV Equipment.
4. HBCAA and BIUD shall jointly negotiate and execute an agreement with the solar installation company to set forth all terms related to the installation of the Solar PV Equipment, including but not limited to site access, insurance coverage, and other matters.
5. All costs related to the installation of the Solar PV Equipment on BIUD property shall be paid by HBCAA.
6. During installation, the Solar PV Equipment shall remain the personal property of HBCAA.
7. The Commercial Operation Date (“COD”) for the BIUD Solar Initiative Project shall be the date on which the Solar PV Equipment is mechanically complete, operational, and capable of delivering solar generation as certified by an engineer employed by the solar installation company at the expense of HBCAA. This certification shall be recorded in the land evidence records of the Town of New Shoreham.
8. Effective as of the COD, ownership of the Solar PV Equipment shall automatically transfer from HBCAA to BIUD.
9. Thereafter, BIUD shall own all Solar PV Equipment, all generation produced by the Solar PV Equipment, and all renewable energy certificates (“RECs”) associated with all renewable energy produced by the Solar PV Equipment.

10. BIUD is a regulated public utility and this Agreement is therefore subject to the review and approval of the Rhode Island Public Utilities Commission (“RIPUC”).

11. Operation of the Solar PV Equipment by BIUD shall be subject to the following conditions, if approved by the RIPUC: (a) the Solar PV Equipment shall be separately metered, (b) generation produced by the Solar PV Equipment shall be valued at the Net Metering Rate as approved by the RIPUC in BIUD’s Annual Standard Offer and Transmission Reconciliation Filing, (c) any value attributable to generation produced by the Solar PV Equipment shall be paid into a restricted account (“Solar Restricted Fund”), and (d) monies in the Solar Restricted Fund shall be used as directed by the BIUD Board of Commissioners (i) to create a decommissioning fund for the Solar PV Equipment, (ii) for maintenance of the Solar PV Equipment, and (iii) for BIUD capital projects. Operation of the Solar PV Equipment shall not be subject to the above conditions unless and until the RIPUC approves them.

12. HBCAA and BIUD shall coordinate and cooperate with each other when making public announcements regarding the BIUD Solar Initiative Project.

13. This Agreement may be amended, modified, or supplemented only by written instrument executed by all Parties.

14. This Agreement shall automatically apply and be binding upon the successors and assigns of the parties. No transaction resulting in a succession or assignment shall release any Party from its duties and obligations under this Agreement.

15. All questions or disputes arising out of or under this Agreement shall be governed by the laws of the State of Rhode Island.

16. If any provision of this Agreement is deemed invalid or unenforceable, the balance of this Agreement shall remain in full force and effect.

17. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their authorized representatives as of _____, 2020.

Block Island Utility District d/b/a The Block Island Power Company

Signature: _____

Name: _____

Title: _____

HBC Affordable Apartments, Inc:

Signature: _____

Name: _____

Title: _____

AGENDA ITEM 11

RATE CASE