Adam

EXHIBIT
tabbies GMP-CROSS-CCD-25

Exhibit 7
Peak Reduction Performance Guaranty

This Exhibit 7 shall become effective on the date that DER Assets deployed under the DER Program Agreement amounting to 1 MW have achieved permission to operate, as determined by Tesla in its reasonable judgment.

This Peak Reduction Guaranty ("**Guaranty**") sets forth the terms and conditions of a peak demand reduction services performance guaranty provided by Tesla under the Master Services Agreement between GMP and Tesla (the "Agreement"). All capitalized terms used herein shall have the meanings given such terms in the Agreement. Any reference to the Agreement means the Agreement as of the date hereof and as amended or restated in any amendments or restatements of the Agreement to which Tesla is a party.

1. **GMP System Peak Reduction Service**. Commencing on the later of (i) seven (7) months after the execution of the Agreement, and (ii) January 1, 2018; and ending ten (10) years thereafter, for each twelve (12) month calculation period within the Term of the Agreement (each a "**Guaranty Year**"), Tesla guarantees to reduce the GMP's maximum hourly system demand ("**System Peak**") in each month, given the available capacity (MW) of Program battery systems that have been commissioned by the 1st of the month under assessment ("**Available Battery Portfolio**"), as follows:

    a. **Calculations at End of Guaranty Year**: At the conclusion of each Guaranty Year, Tesla shall calculate the following variables for each month of the Guaranty Year:

        i. **Natural System Peak,** meaning the System Peak without the presence of the Available Battery Portfolio, as further detailed in the formula in Schedule A.

            - (Example: without the Available Battery Portfolio, there would have been a 1,000 MW Natural System Peak)

        ii. **Actual System Peak,** meaning the System Peak actually experienced by GMP. This measurement accounts for both the absolute hour of system peak as well as the associated shoulder hours around that hour of absolute Natural System Peak.

            - (Example: the actual System Peak experienced by GMP was 945 MW from the use of the Available Battery Portfolio)

        iii. **Actual System Reduction**, meaning the difference between the Natural System Peak and the Actual System Peak.

            - (Example: a 1,000 MW Natural System Peak and a 945 MW Actual System Peak would yield a 55 MW Actual System Reduction)

        iv. **Ideal System Peak**, meaning the System Peak that *could have* been experienced by GMP if the Available Battery Portfolio had had perfect information and performance for every hour of the entire month. This measurement accounts for both the absolute hour of system demand as well as the associated shoulder hours around that hour of absolute Natural System Peak. The formula for such calculation is set forth in Schedule 1.

            - (Example: for a 1,000 MW Natural System Peak, GMP could have experienced a 910 MW Ideal System Peak, if the Available Battery Portfolio had had perfect information and performance)

        v. **Ideal System Reduction**, meaning the difference between the Natural System Peak and the Ideal System Peak.

            - (Example: a 1,000 MW Natural System Peak and a 910 MW Ideal System Peak would yield a 90 MW Ideal System Reduction.)

        vi. **System Performance Ratio,** meaning the ratio of Actual System Reduction to the Ideal System Reduction.

            - (Example: a 52 MW Actual System Reduction compared to a 90 MW Ideal System Reduction would yield a System Performance Ratio of 58%)

Performance Deficiency is equal to the difference between the ISO Performance Ratio and the Guaranteed ISO Performance Ratio.

d. **Deficiency Payment**. In the event of an ISO Performance Deficiency for a Guaranty Year, Tesla will pay a Deficiency Payment ("**ISO Deficiency Payment**") to GMP equal to the Performance Deficiency multiplied by the Available Battery Portfolio in the Guaranty Year multiplied by $84,000 / MW. A detailed example of such calculation is set forth in Schedule B. Payment shall be made as provided in Section 3.

- (Example: If the ISO Performance Ratio is 60%, and the Guaranteed ISO Ratio is 72%, Tesla would have a Performance Deficiency of 12% for the Guaranty Year. If the Available Battery Portfolio is 10 MW, then the Deficiency Payment is equal to [12% Deficiency x 10 MW x $84,000/MW = $100,800])

e. **Performance Banking**. If the ISO Performance Ratio in a Guaranty Year is greater than the Guaranteed ISO Performance Ratio, Tesla may apply that over-performance to any future ISO Performance Deficiency.

- (Example: If the ISO Performance Deficiency in a given year is 10%, but a previous year's ISO Performance was 10% higher than the Guaranteed ISO Performance Ratio, the previous performance can be applied to the current given year. In this example, the 10% over-performance from a previous year would exactly cover the 10% Performance Deficiency in the current year, resulting in no accrual of payment for under-performance.)

3. **Payment Terms**. For any Guaranty Year, any required payments resulting from the System Deficiency Payment and the ISO Deficiency Payment are collectively the program deficiency payment ("**Program Deficiency Payment**"). Tesla shall pay total Program Deficiency Payment, if any is payable, as a lump sum within sixty (60) days after the end of the applicable Guaranty Year. Tesla may, at its option, offset amounts payable under this Peak Reduction Guaranty against amounts owed to Tesla under the Agreement.

4. **Exclusions**. This Peak Reduction Guaranty shall not apply to the degree that the Actual System Reduction and/or the Actual ISO Reduction, as applicable, is limited by the following:

a. GMP failing to perform, or breaching any of GMP's obligations under the Agreement; or

b. a Force Majeure event.

5. **Limitation of Liability**. Notwithstanding anything herein to the contrary, Tesla's total liability arising under this Guaranty shall not exceed $3,000,000.

6. **NO OTHER WARRANTY**. OTHER THAN AS EXPRESSLY SET FORTH IN THIS PEAK REDUCTION GUARANTY, NO WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY UNDER THIS PEAK REDUCTION GUARANTY.

7. **Loss of Monitoring Data.** The Parties acknowledge that system demand and battery asset monitoring may fail without the fault of either Party, and that, as a result, there may be a loss of data required to quantify Actual System and ISO Performance Ratios. In the event that monitoring data is incomplete for any assessment period, Parties will base performance calculations on the best data available, including potentially estimated or interpolated data.

8. **Disputes**. Any dispute arising from or relating to this Guaranty shall be resolved pursuant to the choice of law and dispute resolution terms of the Agreement.

Schedule B to Exhibit 7

ISO Peak Reduction Guaranty Calculations

i. The Natural ISO Peak

For a given year, the Natural ISO Peak is the GMP's system demand coincident with the ISO-NE peak hour in the absence of the Available Battery Portfolio. Natural ISO Peak will be calculated retroactively through a validation model that combines time series data of battery portfolio dispatch and GMP's metered system demand profile inclusive of any battery charging and discharging.

The ISO-NE will determine which hour is the ISO Peak for a given year. For that hour, Natural ISO Peak will be calculated as:

Natural ISO Peak = Actual ISO Peak – Storage Charging + Storage Discharging

ii. Deficiency Payment

An example calculation of a Deficiency Payment for a Guaranty Year is as follows:

	Natural Peak (MW)	Actual Peak (MW)	Actual Reduction (MW)	Available Battery Portfolio (MW)
Guaranty Year	1,000	993	6	10
Actual ISO Performance Ratio			60%	(= 6 MW / 10 MW)
Guaranteed ISO Ratio			72%	
Performance Deficiency			1.2 MW	(= 10% Deficiency * 10 MW)
Deficiency Payment			$100,800	(= 1.2 MW * $84,000/MW)

End of Schedule B to Exhibit 7

Exhibit PSD-BEW-5

Summary of DPS Adjustments to GMP Cost-of-service

	$1,000	% Inc
Revenue Deficiency per GMP COS	$23,531	5.43%
DPS Adjustments to COS		
Purchased Power, Net	$464	
Transmission Expense	$90	
Depreciation & Amortization	($980)	
Taxes - Federal, State & Gross Receipts	($221)	
Return on Utility Rate Base	($870)	
Other Operating Revenue	$717	
Total DPS Adjustments	($801)	
DPS COS Deficiency	$22,731	5.25%