

MEMORANDUM OF UNDERSTANDING
March 12, 2021

This Memorandum of Understanding ("MOU") is entered into as of the date above, by and between Vermont Electric Power Company, Inc. ("VELCO"), for itself and Vermont Transco LLC ("VTransco"), Green Mountain Power Corporation ("GMP") and GlobalFoundries U.S. 2 LLC ("GF")(together the "Parties").

WHEREAS, GMP is a retail electricity provider engaged in the distribution or sale of electricity directly to the public;

WHEREAS, GF is Vermont's largest retail electric customer by a significant margin, has a substantial distribution system of its own, and is the only customer in the state that receives 115 kV transmission-level service;

WHEREAS, GF and GMP have entered into a Letter of Intent, which includes a Transitional Power Purchase Agreement Term Sheet, to support GF's transition to a Self-Managed Utility subject to regulatory approvals as set forth in **Exhibit MOU-1**;

WHEREAS, VELCO is the manager and duly authorized agent of VTransco and in furtherance of those duties seeks to act in a manner that equitably benefits all VTransco's owners and advances VELCO's vision to create a sustainable Vermont;

WHEREAS, VTransco owns Vermont's high-voltage electric transmission system (115 kV and above) and is obligated to provide open access transmission service under applicable tariffs approved by the Federal Energy Regulatory Commission ("FERC");

WHEREAS, GF desires to become a Self-Managed Utility as a transmission customer under Schedule 21-VTransco of the ISO-New England Open Access Transmission Tariff ("Schedule 21-VTransco");

WHEREAS, GF's operation as a Self-Managed Utility and as a transmission customer under Schedule 21-VTransco is meant to benefit all Vermont customers through the continuation of GF's operations and its contribution to common transmission costs;

WHEREAS, VTransco is obligated to provide open access transmission service to eligible customers under Schedule 21-VTransco and is also willing to serve as escrow manager and payment agent for the make-whole fund described in this MOU, subject to the conditions set forth therein; and

WHEREAS, the Parties desire to accomplish these objectives in a way that will not lead to unjust discrimination or cross-subsidization because: a) GF is in a unique position as Vermont's only retail transmission class customer with its

own distribution system with ability to interconnect to high-voltage transmission service at 115kV, b) GF will continue to contribute meaningfully to common costs of transmission, and provide a significant economic benefit to Vermont, and c) GF will forgo other value that will instead flow to other customers through the terms of this MOU and its agreements with GMP.

NOW, THEREFORE, in consideration of the promises and mutual obligations set forth herein, the Parties acknowledge and agree as follows:

AGREEMENT

1. **Effective Date.** This MOU shall be effective between the Parties as of the date first written above, subject to the conditions precedent set forth herein.
2. **Other Agreements.** The Parties acknowledge that to fulfill the terms of this MOU, they will negotiate and enter into separate agreements with respect to the matters described in this agreement and that the terms of those separate agreements shall govern the applicable subject matter between the signing parties. Such separate agreements may be negotiated but shall not be effective unless and until completion of the conditions precedent set forth herein.
3. **Proposed Structure.** GF and GMP shall request by on or about March 15, 2021, authorization as needed from the Vermont Public Utility Commission (“PUC”) to allow GMP to change its service territory to exclude a portion of the GF campus in Vermont and allow GF to operate to serve its own load obligation as a Self-Managed Utility (“SMU”), as follows:
 - a. The SMU shall operate as a division of GF and not as a separate legal entity (and hereinafter any reference of service to GF shall encompass service to the SMU division for GF);
 - b. Only GF’s land in the Town of Essex, including the Village of Essex Junction, will be excluded from GMP’s service territory, as will be further described in GMP’s filed Section 249 Petition and as depicted in the attached **Exhibit MOU-2**;
 - c. The SMU will enter into a Transitional Power Purchase Agreement with GMP for the first four years of the SMU’s operations under the terms set forth in **Exhibit MOU-1**;
 - d. The SMU will apply for transmission service under Schedule 21-VTransco;
 - e. GF’s land in Williston will continue to be part of GMP’s service territory;
 - f. The Parties shall transfer the assets as described herein, to move the metering and interface connection point between the GMP and GF system to accomplish this transaction; and
 - g. GF will petition the PUC to establish a SMU that serves solely GF and will not engage in the sale of electricity directly to the public.
4. **Transfer of Assets; Facilities.** To accomplish the objectives of this MOU, the Parties intend to buy or sell certain facilities as follows:

- a. Transfer to VTransco, at net book value, of GMP-owned transmission facilities at Substations 86 and 87 and 115kV transmission lines 1591, 1592, 1593 and 1594 (together, “transmission facilities”), that are necessary to connect GF directly to VTransco’s system, as described and set forth in **Exhibit MOU-3** attached hereto.
 - b. VTransco’s acceptance of the GMP-owned transmission facilities will be conditioned upon the condition assessments, studies, repairs, replacements, and cost allocations as reasonably agreed to by the Parties.
 - c. The Parties understand and acknowledge that engineering studies and other assessments for some of the facilities will not be accomplished until a later date and, therefore, cost-allocations for those particular facilities will need to be negotiated in good faith after this MOU has been executed and approved, or after the facilities have been transferred to VTransco.
 - d. The Parties agree to continue to perform necessary condition assessments and engineering studies of the transmission facilities by a mutually agreed upon team of subject matter experts and to negotiate in good faith the responsible party to pay for these repairs.
 - e. These facility repairs/resolutions are generally characterized as follows:
 - i. Priority 1 - Facility conditions that have the potential to immediately degrade worker/public safety or system reliability will be addressed as soon as reasonably practicable, prior to transfer of ownership if possible.
 - ii. Priority 2 – Facility conditions not presently determinable that are subsequently determined through assessments and engineering studies to immediate or short-term repairs (i.e., repairs needed within five years), alterations, or replacements to ensure worker/public safety or system reliability that may take place after transfer of ownership.
 - iii. Priority 3 – Facility conditions that do not fall into Priority 1 or 2, such as facilities conditions which do not have an immediate or near-term potential to degrade worker/public safety or system reliability, and can be remedied with longer-term planning and condition assessments and can be resolved as part of capital improvements.
 - f. Transfer to GMP, at net book value, of certain GF-owned facilities known as the Willison Substation that connect to GMP, as described and set forth in **Exhibit MOU-4** attached hereto.
 - g. Transfer to GF, at net book value, of certain GMP-owned facilities known as Substations 86 and 87 that connect to GF, as described and set forth in **Exhibit MOU-5** attached hereto.
 - h. For ease of reference, these facilities are depicted in one-line diagrams prepared by VELCO.
 - i. The existing ownership is depicted in **Exhibit MOU-6** attached hereto.
 - ii. The proposed ownership is depicted in **Exhibit MOU-7** attached hereto.
5. **Provision of Transmission Services.**
- a. GF shall become a market participant of ISO-NE or make other necessary arrangements for the direct or indirect settlement with ISO-NE of all ISO-New England Transmission, Markets and Services Tariff costs allocated to

GF's wholesale Regional Network Load including but not limited to Regional Network Service (RNS) costs.

- b. GF shall apply for Local Network Service ("LNS") under the standard terms of the Local Service Agreement ("LSA"), which is Attachment A to Schedule 21 of the ISO-NE Open Access Transmission Tariff. Under the LSA, which must also be signed by Vermont Transco LLC and ISO-New England, GF shall agree to pay VTransco directly:
 - i. Charges for LNS and associated Local Scheduling, System Control and Dispatch Service for local transmission service under Schedule 21-VTransco.
- c. The Parties acknowledge and agree that upon approval of the relevant transmission service applications and the transfer of assets described above, VTransco will be able to provide service to both the GF SMU and GMP and therefore the VTransco transmission facilities meet the integration test requiring rolled in pricing under FERC policy.
- d. The Parties also agree to work in good faith to complete certain other forms and documentation as needed for transmission service such as:
 - i. Application for transmission service;
 - ii. Determination of creditworthiness;
 - iii. Easement(s) or other agreement(s) to VTransco for ownership, operation, maintenance, and/or access to assets on the land owned by GF;
 - iv. Operation and maintenance agreement(s), including a mutually agreed upon operating agreement between VELCO/VTransco, GMP and GF outlining the interconnection, operating and maintenance procedures and processes for both substation and transmission line facilities. This will include scheduling of multi-day, single-source GF operations during capital improvements or significant maintenance activities. Substation and line maintenance responsibilities between GF and VTransco shall be clearly described including environmental, station electrical service, security, capital improvements including communication assets, all NERC applicable regulations, good utility practice, and VELCO safety rules in the substation. The operation and maintenance agreement(s), should also cover other terms and conditions including, but not limited to:
 1. Definition of Key Terms
 2. Ownership and Cost Responsibility
 3. Asset classifications, such as
 - a. Fiber optic cable and associated electronic and revenue metering
 - b. Attached exhibits, such as one-line diagram(s)
 4. Operational Control and Responsibility
 5. Outage Coordination
 6. Emergency and Outage Response
 7. Power Quality and Post Event Analysis Responsibilities
 8. Maintenance Responsibility
 - a. Shared facilities
 - i. Control building
 - ii. Control Building Station AC and DC Supply

- iii. Underbuilt distribution on transmission poles
 - b. Inventory of spare parts
 - c. Testing and support services
 - d. Routine inspections
 - e. Snow plowing
 - f. Vegetation control
 - g. Trash disposal
 - h. Protective equipment such as fire extinguishers
9. Facility Safety, Security and Access Requirements
- a. Safety, adherence to entities' safety programs
10. Environmental Responsibilities
- a. SPCC plans and adherence
 - b. Chemical control programs
 - c. Erosion control
11. Engineering and Planning
- a. Changes to facilities, submittals/notifications and timelines
 - b. Drawing control requirements for shared/interconnected facilities
12. Communication
- a. Defined points of contact
13. General/Administration
- a. Agreement review period
 - b. Limits of liability with newly acquired assets that will not be upgraded for some time.
6. **Make-Whole Payments.** A material goal in this transaction is to keep all Vermont distribution utilities other than GMP (the "Other VDUs") as financially whole as reasonably possible compared to the status quo with regard to VTransco transmission service, recognizing the potential cost that would be caused to all customers in the event GF were to exit Vermont or significantly reduce its Vermont operations. The mechanism for achieving this goal shall be as follows:
- a. GF shall pay, by the date stated, the amounts set forth in this Section 6.a. to create a fund ("Make-whole Fund") to be used to provide "make-whole" payments for estimated shortfalls related to the VTransco transmission payments resulting from this transaction to the Other VDUs in accordance with the terms herein.
 - i. \$250,000 due January 31, 2023;
 - ii. \$200,000 due January 31, 2024;
 - iii. \$150,000 due January 31, 2025; and
 - iv. \$100,000 due January 31, 2026.
 - b. The amounts in Section 6.a. have been negotiated by GF and GMP based upon the methodology described in Section 6.d. estimated on a net present value basis over a 20-year period, recognizing that many factors both within and outside of the control of the Parties may affect the outcome in any given year.

- c. The Make-whole Fund amounts set forth Section 6.a shall be paid to and held in escrow by VELCO. VELCO will manage the Make-whole Fund for the lesser of 20 years, or so long as GF continues to operate in Vermont, and administer the make-whole payments.
- d. VELCO will annually calculate the difference of (i) each of the Other VDUs' pro-rata share of the 1991 Vermont Transmission Agreement ("VTA") costs assuming GF's load was retained by GMP and (ii) each of the Other VDUs' pro-rata share of the actual VTA costs with GF as a Schedule 21-VTransco customer (such difference referred to as the "annual make-whole amount"). VELCO will distribute annual make-whole amount to each of the Other VDUs as determined above (the "make-whole payments").
- e. In the event that the Make-whole Fund is insufficient to cover any portion of an annual make-whole amount during the 20-year period, and so long as GF continues to operate in Vermont, GMP will work in good faith with the Other VDUs and VELCO to find ways, including but not limited to GMP providing additional make-whole funding, to address those insufficiencies, up to the same total amount paid by GF under Section 6.a. above. In addition, if other transaction-related costs to the Other VDUs arise post-transaction, GMP will work in good faith to reach agreement with them, and to seek any necessary regulatory approvals, to mitigate or cover such costs.
- f. In no event shall GF be required to pay more than the amounts set forth in Section 6.a. for purposes of this Section, nor shall this MOU obligate GF in any way to the Other VDUs.
- g. At the end of 20 years (or cessation of GF operations in Vermont, if earlier) VELCO shall pay any remaining balance from the Make-whole Fund to the Other VDUs on a pro rata basis. For purposes of this Section 6.g., each of the Other VDUs pro-rata share of any remaining balance shall be the ratio of their cumulative individual make-whole payments received from the Make-whole Fund and the sum of all make-whole payments from the Make-whole Fund.
- h. For the avoidance of doubt, VELCO's assistance in calculating, collecting, escrowing, or distributing any annual make-whole amount or payments referenced herein shall not constitute a rate or charge for transmission services. Except for claims of intentional misconduct, GF and GMP agree to hold harmless, indemnify and defend VELCO and VTransco for any claims of any nature whatsoever related to or arising out of VELCO's obligations to administer the Make-whole Fund.

GF and GMP shall include their respective obligations for this Make-whole Fund mechanism as requested conditions in the PUC approval process for this MOU.

7. **Assignment; Reversion.** Upon the voluntary sale/merger/change of control, cessation of operations, or similar event involving GF:
 - a. Assignment. The Parties agree that GF shall cause or require any successor or assignee of GF to assume all obligations of GF's agreements with GMP and VELCO/VTransco, and to abide by the applicable regulatory requirements of the PUC, FERC or other regulatory body with jurisdiction over the SMU, as

well as any agreements entered into as a result of the transactions contemplated herein.

- b. Reversion. GF will seek a condition requiring any successor/assign to assume the obligations set forth in Section 7.a. in its petition at the PUC, along with a provision that the GF Self-Managed Utility territory will revert to GMP, to be treated within GMP's then-applicable tariffs, in the event any such successor or assign fails to assume all such obligations.

8. **Time of the Essence.** The Parties agree that, due to multiple regulatory commitments, capital project planning, and budgeting decisions affected by the approval of the structure set forth in this MOU, time is of the essence and will work to secure all other agreements and documentation called for in this MOU in a timely fashion in order to support an application at the PUC to approve the LOI Plan to be filed as early as possible in 2021, striving to achieve regulatory approvals from the PUC (and FERC if needed) in 2021.

9. **Conditions Precedent.**

- a. PUC approval of the proposed structure as described in Section 3, conditioned upon the make-whole payments mechanism as described in Section 6, all pursuant to petitions filed by GF and GMP and as required to effectuate the terms and conditions of this MOU.
- b. Approvals of any tariff amendments or agreements related to transmission service as may be required from the PUC, ISO-New England, FERC or any other regulatory body with jurisdiction.

Any such regulatory approvals shall be consistent with this MOU, without modification or condition unless all parties agree in writing to such modification or condition.

10. **Cooperation regarding Department of Public Service Support and Public Utility Commission Approval.** GMP and GF agree to use their best efforts to seek support of the Department of Public Service and the approval of this MOU by the PUC, along with any other regulatory approvals required. VELCO's role in the transaction contemplated by this MOU is limited to (1) administering Schedule 21-VTransco; and, subject to PUC approval, (2) accepting the transfer of certain transmission facilities subject to the conditions set forth herein; and (3) serving as the Make-whole Fund escrow/payment agent. Therefore, VELCO and VTransco will not advocate for the merits of forming the GF SMU in any resulting proceeding from the transaction contemplated herein.

11. **Miscellaneous.** This MOU is governed by the laws of the State of Vermont. Neither party may assign this MOU or any rights or responsibilities thereunder without the prior written consent of the non-assigning party. This MOU and any Exhibits together reflect the entire understanding between the parties related to the subject matter of this MOU and supersede all prior and contemporaneous oral or written communications between the parties related to its subject

matter. The Parties agree that any disputes regarding the interpretation or enforcement of this MOU shall be resolved by the PUC, unless such disputes are beyond its subject matter jurisdiction. This MOU may be modified only by written agreement signed by the Parties and approved by the PUC and/or any other authority having jurisdiction and shall not be modified by any course of performance, course of dealing or usage of trade. Aside from the specific commitments to provide service in accordance with the terms of applicable tariffs, to administer the Make-whole Fund, and to accept the transfer of assets contemplated in this MOU, nothing in this MOU shall obligate VELCO or VTransco to advocate any particular position in front of the PUC or any other regulatory body.

The undersigned hereby accept and agree to this Memorandum of Understanding as of the date first written above.

Green Mountain Power Corporation

DocuSigned by:
By: Mari M. McLure
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Duly Authorized Agent

GlobalFoundries U.S. 2 LLC

DocuSigned by:
By: Rh L
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Duly Authorized Agent

**Vermont Electric Power Company, Inc.
for itself, and as manager, for Vermont
Transco LLC**

DocuSigned by:
By: Thomas Dunn
461D0833B5544FC...

Duly Authorized Agent

Exhibit MOU-1
Letter of Intent dated March 11, 2021

This Letter of Intent supersedes the non-binding letter of intent signed by the parties in September 2020 and outlines specified terms and conditions between **GLOBALFOUNDRIES U.S. 2 LLC (“GF”)** and **GREEN MOUNTAIN POWER CORPORATION (“GMP”)** regarding the “Self-Managed Utility” proposal described in a draft Memorandum of Understanding between GF, GMP and Vermont Electric Power Company, Inc. (“VELCO”), for itself and Vermont Transco LLC (the “Three-Party MOU”). GF and GMP enter into this Letter of Intent in contemplation of the finalization and execution of the Three-Party MOU.

- 1) Transitional Power Purchase Agreement (PPA), Transition Period, and Transition Fee
 - a) GF transition to Self-Managed Utility is proposed to begin October 1, 2022.
 - b) GMP and GF will enter into a Transitional PPA as outlined in Schedule A below, which will include a transition fee. The Transitional PPA will be GF’s contribution to GMP’s revenue requirement during GMP’s fiscal years ending September 30, 2023 to September 30, 2026 (the “Transition Period”), thereby reducing the impact of a GF transition on GMP’s customers.
 - c) The Transitional PPA will provide GF its full energy and capacity requirements, with GMP’s environmental attributes and portfolio mix in proportion to GMP’s total deliveries, under the Transitional PPA the entire Transition Period. During the Transitional PPA, GMP will count the energy and capacity delivered to GF as a part of its overall annual load deliveries to customers and will use reasonable best efforts to maintain Portfolio Attributes associated with obligations allocated or credited, and to cover costs of such obligations, under Chapter 89 of Title 30 of the Vermont Statutes Annotated as if GF were still included in GMP’s retail sales.
 - d) The transition fee will be \$15.6 million, payable in fixed dollar amounts according to the Transition Fee schedule set forth in the Transitional PPA.
 - e) The parties acknowledge that there is more than one way to understand the value of the transition fee.
 - i) For example, based upon the parties’ estimates of market-based costs through FY26, the transition fee would allow GF’s electric costs during the Transition Period to move downward from current costs of 9.1 cents per kwh (a.k.a., the “Glide Path”) to forecasted market prices, recognizing that actual market prices at any time in the future are uncertain and may exceed current costs; similarly, it is uncertain how much higher Transmission Class 70 rates in the future may be if GF were to remain a GMP customer.
 - ii) The transition fee also can be seen as a way to cover a portion of GMP’s fixed costs above the cost to GMP of GF’s load, thereby

continuing to contribute to GMP's overall costs in a way that benefits other GMP customers for a period of years.

- iii) The transition fee also could be thought of as covering a portion of GMP's costs benefitting other customers for policy-based resources such as net metering (outside of GF's new territory), and Standard Offer and RES compliance costs GMP pays as a retail electricity provider engaged in the distribution or sale of electricity directly to the public.
- iv) Regardless of how it is conceived, the parties acknowledge that the transition fee is a negotiated sum meant to cover for a period of four years a portion of costs GF would otherwise continue to pay to GMP if it were to remain a customer.
- v) The parties also recognize that, absent an approved agreement, if GF were to leave the state or otherwise cease operations, no sums at all would flow to GMP or its customers to mitigate the associated revenue loss.
- vi) The parties also acknowledge that, beyond the benefits of a Transitional PPA to other GMP customers, GF's operations in Vermont would continue contributing significantly to both the Vermont economy and VELCO's net revenue requirement, thereby benefiting the State generally, the customers of GMP, and other Vermont Distribution Utilities. Importantly, this significant benefit would continue beyond the Transition Period for as long as GF maintains its operations in Vermont.
- f) The parties also acknowledge that it is material to GMP's support of the transition fee that GF continue to pay the equivalent of its share of transmission-related costs as identified in the Three-Party MOU both during and after the Transition Period.

2) Non-Binding Agreement - It is understood that this is intended as a Letter of Intent only and while the parties hereto agree to in principle to the contents hereof, neither party shall have any legal obligation to the other as a result of executing this Letter of Intent which is specifically conditioned upon the preparation, negotiation and execution of formal agreements mutually acceptable to GF and GMP, as well as the Three-Party MOU referenced herein. Both parties agree to work diligently toward an expeditious execution of such agreements containing the above referenced terms and conditions.

Agreed and Accepted

GLOBALFOUNDRIES U.S. 2 LLC

GREEN MOUNTAIN POWER CORPORATION

DocuSigned by:

 By: _____
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Duly Authorized Agent

DocuSigned by:

 By: _____
 9965056D77CD42B...
Duly Authorized Agent

Letter of Intent
Schedule A: TRANSITIONAL POWER PURCHASE AGREEMENT TERM SHEET

| | |
|---|---|
| Buyer | GlobalFoundries U.S. 2 LLC |
| Seller | Green Mountain Power |
| Term; Transition Period | October 1, 2022 to September 30, 2026 (4 years) |
| Conditions Precedent | <p>Performance under the Power Purchase Agreement shall be dependent on the following conditions:</p> <ol style="list-style-type: none"> 1. the approval of the Vermont Public Utility Commission of the Three-Party MOU on terms that are acceptable to the Buyer and the Seller 2. GlobalFoundries will have any required regulatory approvals from Federal Energy Regulatory Commission in order to participate in a wholesale transaction prior to October 1, 2022 3. GlobalFoundries will have registered with ISO New England and its VT facility will have a Load Asset ID recognized for settlement within ISO-NE markets. |
| Wholesale Market Products | <p>Seller will provide all energy, capacity, Portfolio Attributes (described below), and ancillary services requirements at the Delivery Point. All other charges from ISO New England and VELCO/Transco shall be the responsibility of the Buyer. Attachment A1 is a preliminary list that identifies the wholesale load related capacity, energy and ancillary items that would be the responsibility of Seller under the column heading "WLCR". In the event that any of these items are subdivided or new items are added through amendments to ISO's rules, mechanisms, policies or Open Access Transmission Tariff and such items are billed based upon a participant's day ahead or real time load obligation, such additional items will also be the responsibility of Seller during each Delivery Period.</p> |
| Seller Portfolio Attributes and Allocations | <p>Seller will provide Buyer the above-described Wholesale Market Products that reflect the same proportion of Portfolio Attributes as applies to Seller's overall power supply portfolio. Seller will provide sufficient documentation of Seller's Portfolio Attributes on no less than an annual basis in order for Buyer to confirm that their purchased Energy carries the same environmental attribute profile as Seller in each calendar year of the Term. Seller will use reasonable best efforts to maintain Portfolio Attributes associated with obligations allocated or credited, and cover costs of such obligations, under Chapter 89 of Title 30 of the Vermont Statutes Annotated as if Buyer were still included in Seller's retail sales.</p> |

| | |
|---|---|
| Market Scheduling and Settlement Activity | Each party will be responsible for its own costs related to the scheduling activity required of that party in the ISO New England marketplace related to the delivery and acceptance of the Wholesale Market Products and any all settlement and billing requirements imposed as a result of continued participation in the ISO New England Marketplace. |
| Product Price | For each contract Delivery Period below, the Product Price shall be: October 1, 2022- September 30, 2023 – \$48.20 per MWh. October 1, 2023- September 30, 2024 – \$48.40 per MWh. October 1, 2024- September 30, 2025 – \$50.54 per MWh. October 1, 2025- September 30, 2026 – \$52.50 per MWh. |
| Product Delivery Point | Load Asset ID# (to be determined by ISO New England after the Buyer files an Asset Registration Form identifying the metering point(s) within the SMU service territory.) |
| Product Quantity | The Product Quantity in any calendar month during each Delivery Period shall be determined by the total megawatt-hours (MWh) of Energy reported to ISO New England by the designated metering provider and subject to all applicable adjustments and metering correction practices occurring in the ISO market. |
| Transition Fee | In addition to payment for the Wholesale Market Products, GF will pay to GMP the total agreed amount of \$15.6M (nominal dollars) as a Transition Fee, payable in monthly installments of: <ul style="list-style-type: none">(1) \$500,000 starting October 1, 2022 (\$6 Million in GMP FY23)(2) \$416,667 starting October 1, 2023 (\$5 Million in GMP FY24)(3) \$250,000 starting October 1, 2024 (\$3 Million in GMP FY25)(4) \$133,333 starting October 1, 2025 (\$1.6 Million in GMP FY26) |
| Costs and Expenses | Each Party bears its own costs and expenses in drafting and negotiating the PPA and in obtaining governmental approvals and market registrations required by the PPA. |
| Other Legal Articles to | |

be Included in the Final Agreement Provisions relating to the following matters: definitions; amendments and waivers; events of default and remedies; force majeure; representations and warranties; dispute resolution; governing law; notices; cumulative remedies and simultaneous exercise; successors and assigns; severability; headings; counterparts; no partnership; no third-party beneficiaries, and other miscellaneous provisions.

Definitive Power Purchase Agreement This non-binding term sheet sets forth the structure of the proposed transaction and the Parties' understandings with respect thereto. The Parties will act in good faith to negotiate, complete and enter into a definitive PPA reflecting the terms and conditions hereof on a timely basis in accordance with the Three-Party MOU and other transaction documents and approvals.

**Attachment A1 to Transitional PPA Term Sheet
(page 1 of 2)**

| Allocation of Load-Based and Other Charges | | | | | | | |
|--|--|---|---------------------|---------------------------------|-----------------------|-------------------|---|
| Effective April 1, 2019 | | | | | | | |
| Market | Charges | Allocation Method | Standard Settlement | Reference(s) | RNLCR ¹ | WLCR ² | |
| Day-Ahead (DA) Energy | Locational DA Energy | Negative DA Locational Adjusted Net Interchange | N | MR-1, III.3.2.1 (f) | M-28, 2.1 | | |
| | Locational DA Loss | Negative DA Locational Adjusted Net Interchange | N | MR-1, III.3.2.1 (f) | M-28, 2.1 | | |
| | Locational DA Congestion | Negative DA Locational Adjusted Net Interchange | N | MR-1, III.3.2.1 (f) | M-28, 2.1 | | |
| | DA Loss Revenue | Share of Marginal Loss Revenue Load Obligation | N | MR-1, III.3.2.1 (k) | M-28, 2.5.1 | | |
| Real-Time (RT) Energy | Locational RT Energy | Negative RT Locational Adjusted Net Interchange Deviation | N | MR-1, III.3.2.1 (g) | M-28, 2.2 | | ✓ |
| | Locational RT Loss | Negative RT Locational Adjusted Net Interchange Deviation | N | MR-1, III.3.2.1 (g) | M-28, 2.2 | | ✓ |
| | Locational RT Congestion | Negative RT Locational Adjusted Net Interchange Deviation | N | MR-1, III.3.2.1 (g) | M-28, 2.2 | | ✓ |
| | Locational RT Demand Reduction | Negative RT Locational Demand Reduction Obligation Deviation | N | MR-1, III.3.2.1 (h) | M-28, 2.2 | | ✓ |
| | RT Demand Reduction Charge | Share of RT Load Obligation excluding RTLO at all External Nodes and RTLO incurred by DARDs | N | MR-1, III.3.2.1 (h) | M-28, 2.2 | | ✓ |
| | RT Loss Revenue | Share of Marginal Loss Revenue Load Obligation (excludes Coordinated External Transactions (CETs)) | N | MR-1, III.3.2.1 (m) | M-28, 2.5.1 | | ✓ |
| | Inadvertent Energy | Share of RT Generation Obligation plus RT Load Obligation plus Demand Reduction Obligation, measured as absolute values (excludes CETs) | N | MR-1, III.3.2.1 (p) | M-28, 2.5.2 | | ✓ |
| Regulation | Regulation Service Credit + Regulation Capacity Credit | Share of RT Load Obligation excluding CETs and Dispatchable Asset Related Demand ³ | N | MR-1, III.14.8 (d) | | | ✓ |
| | Regulation Make Whole Cost Payment | | N | MR-1, III.14.8 (d) | | | ✓ |
| DA Net Commitment Period Compensation (NCPC) | Economic - Generator & Demand Response Resource | Share of DA Load Obligation (DALO) excluding CETs | N | MR-1, III.F.3.1.1 (f) | | | |
| | Economic - DARD Pumps | Share of DA Load Obligation (DALO) excluding CETs and Dispatchable Asset Related Demand Resources | N | MR-1, III.F.3.1.1 (g) | | | |
| | Economic External Purchase Transactions | Share of Hourly External Node DALO excluding CETs | N | MR-1, III.F.3.1.1 (d) | | | |
| | Economic External Sale Transactions | Share of Hourly External Node DA Generation Obligation excluding CETs | N | MR-1, III.F.3.1.1 (e) | | | |
| | Local Second Contingency Protection Resource (LSCPR) | Share of daily sum of Real-Time Load Obligation (excluding CETs and Dispatchable Asset Related Demand Resource operation) plus applicable Emergency energy sales within each affected Reliability Region. | N | MR-1, III.F.3.3 | | | ✓ |
| | Voltage Amperes Reactive (VAR) | Share of Monthly Regional Network Load, and Through or Out Service (TOUT) Reserved Capacity excluding CETs | N | OATT, II., Schedule 2, Sect.III | MR-1, III.F.3.1.1 (a) | | ✓ |
| | High-Voltage VAR | Share of Monthly Regional Network Load in the affected Reliability Region(s) | N | OATT, II., Schedule 2, Sect.III | | | ✓ |
| RT NCPC | Economic | Share of daily deviations ^{3, 6} | N | MR-1, III.F.3.1.2 (i) | MR-1, III.F.3.2 | | ✓ |
| | LSCPR | Share of daily sum of Real-Time Load Obligation (excluding CETs and Dispatchable Asset Related Demand Resource operation plus applicable Emergency energy sales within each affected Reliability Region. ⁷ | N | MR-1, III.F.3.3 | | | ✓ |
| | VAR | Share of Monthly Regional Network Load, and TOUT Reserved Capacity excluding CETs | N | OATT, II., Schedule 2, Sect.III | MR-1, III.F.3.1.2 (a) | | ✓ |
| | High-Voltage VAR | Share of Monthly Regional Network Load in the affected Reliability Region(s) | N | OATT, II., Schedule 2, Sect.III | | | ✓ |
| Additional NCPC | Synchronous Condensers (VAR) | Share of Monthly Regional Network Load, and TOUT Reserved Capacity excluding CETs | N | OATT, II., Schedule 2, Sect.III | MR-1, III.F.3.1.2 (a) | | |
| | Cancelled Starts (non-VAR) | Allocated per the RT commitment order for the resource (Economic, LSCPR) ⁴ | N | MR-1, III.F.3.1.2 | | | ✓ |
| | Posturing (non-VAR) | Share of RTLO, excluding RTLO associated with CETs and DARDs | N | MR-1, III.F.3.1.2 (d) | | | ✓ |
| | Posturing (VAR) | Share of Monthly Regional Network Load, and TOUT Reserved Capacity excluding CETs | N | OATT, II., Schedule 2, Sect.III | MR-1, III.F.3.1.2 (a) | | ✓ |
| | Cancelled Starts (VAR) | Share of Monthly Regional Network Load, and TOUT Reserved Capacity excluding CETs | N | OATT, II., Schedule 2, Sect.III | MR-1, III.F.3.1.2 (a) | | ✓ |
| | Hourly Shortfall (VAR) | Share of Monthly Regional Network Load, and TOUT Reserved Capacity excluding CETs | N | OATT, II., Schedule 2, Sect.III | MR-1, III.F.3.1.2 (a) | | ✓ |
| | Hourly Shortfall (non-VAR) | Allocated per the DA commitment for the resource (Economic, LSCPR) ⁴ | N | MR-1, III.F.3.1.2 | | | ✓ |
| | Special Constraint Resource | Transmission Owner/distribution company requesting the commitment | N | OATT Schedule 19 | MR-1, III.F.3.1.2(b) | | |
| | RT External Transaction Sales | Share of daily deviations ³ | N | MR-1, III.F.3.1.2 (i) | MR-1, III.F.3.2 | | ✓ |
| | Dual Fuel Audit NCPC Adjustment | Share of RTLO excluding RTLO associated with CETs and DARDs | Y | MR-1, III.F.3.1.2 (c) | | | ✓ |
| | Generator/Demand Response Performance Audit | Share of RTLO excluding RTLO associated with CETs and DARDs | N | MR-1, III.F.3.1.2 (c) | | | ✓ |
| | Rapid Response Pricing Opportunity Cost | Share of RTLO excluding RTLO associated with CETs and DARDs | N | MR-1, III.F.3.1.2 (e) | | | ✓ |
| | Dispatch Lost Opportunity Cost | Share of RTLO excluding RTLO associated with CETs and DARDs | N | MR-1, III.F.3.1.2 (h) | | | ✓ |
| | Emergency Purchase/Sale | Share of negative deviations from cleared DA amounts excluding deviations from CETs | Y | MR-1, III.3.2.6 (a) & (b) | M-28, 4.2 & 4.3 | | ✓ |

**Attachment A1 to Transitional PPA Term Sheet
(page 2 of 2)**

| Allocation of Load-Based and Other Charges | | | | | | |
|--|--|--|---------------------|---|--------------------|-------------------|
| Effective April 1, 2019 | | | | | | |
| Market | Charges | Allocation Method | Standard Settlement | Reference(s) | RNLCR ¹ | WLCR ² |
| Security Energy Purchase | | Share of Monthly Regional Network Load or Share of Total Pool Marginal Loss Revenue Load Obligations excluding CETs | Y | MR-1, III.3.2.6A M-28, 4.5 | | ✓ |
| Monthly Financial Transmission Right (FTR) | | Negative Target Allocation | N | MR-1, III.5.2.4 M-6 | | ✓ |
| Shortage of Congestion Revenue | | Share of daily deviations ³ (Bill Adjustment) | N | ISO New England Billing Policy, I, Exhibit ID, 3.3.(g) M-28, 2.6 | | |
| Forward Reserve | Total pool payments, by product (TMNSR, TMOR) | Share of Load Zone RTLO, adjusted for Real-Time Reserve Designations of Dispatchable Asset Related Demand (DARD) | N | MR-1, III.9.9 | | ✓ |
| Real-Time Reserves | Total pool payments, by product (TMSR, TMNSR, TMOR) | Share of Load Zone RTLO, adjusted for Real-Time Reserve Designations of Dispatchable Asset Related Demand (DARD) | N | MR-1, III.10.3 | | ✓ |
| Forward Capacity Market | Capacity Payments (credit) | Share of Capacity Requirement in the Capacity Zone plus Self-Supply MWs plus Capacity Load Obligation (CLO) Bilateral MWs plus HQICC MWs | N | MR-1, III.13.7.5 | | ✓ |
| | Capacity Reliability Payments (credit) | Share of Monthly Regional Network Load in the affected Reliability Region | N | MR-1, III.13.2.5.2.5.1 III.13.2.7.3 (b) (v) | ✓ | |
| | Forfeited Financial Assurance (credit) | Share of Capacity Requirement in the Capacity Zone | Y | ISO New England Financial Assurance Policy, I, Exhibit ID, 3.3.(g) | | |
| ISO SFT Schedule 1 - Scheduling, System Control and Dispatch Service | Regional Network Service | Monthly Regional Network Load | N | ISO Funding Mechanism, IV.A, Schedule 1 | ✓ | |
| | TOUT | TOUT Reserved Capacity excluding CETs | N | ISO Funding Mechanism, IV.A, Schedule 1 | | |
| ISO SFT Schedule 2 - Energy Administration Service | Energy Transaction Units | Count of Energy Transaction Units excluding CETs | N | ISO Funding Mechanism, IV.A, Schedule 2 | | ✓ |
| | Increment Offers and Decrement Bids | Count of submitted and cleared Increments Offers and Decrement Bids | N | ISO Funding Mechanism, IV.A, Schedule 2 | | |
| | FTR Auction Bids | Count of submitted and cleared FTR auction bids | N | ISO Funding Mechanism, IV.A, Schedule 2 | | |
| | Volumetric Measures | Count of Volumetric Measures excluding CETs | N | ISO Funding Mechanism, IV.A, Schedule 2 | | ✓ |
| ISO SFT Schedule 3 - Reliability Administration Service | RT Non-Coincident Peak (NCP) Load Obligation | RT NCP Load Obligation | N | ISO Funding Mechanism, IV.A, Schedule 3 | | ✓ |
| | Exports | Export MWs excluding CETs | N | ISO Funding Mechanism, IV.A, Schedule 3 | | |
| | Non-Participant TOUT | TOUT Reserved Capacity | N | ISO Funding Mechanism, IV.A, Schedule 3 | | |
| ISO SFT Schedule 5 - Collection of NESCOE Budget | Regional Network Service | Monthly Regional Network Load | N | ISO Funding Mechanism, IV.A, Schedule 5 | ✓ | |
| OATT Schedule 1 - Scheduling, System Control and Dispatch Service | Regional Network Service | Monthly Regional Network Load | N | OATT, II, Schedule 1 | ✓ | |
| | TOUT | TOUT Reserved Capacity | N | OATT, II, Schedule 1 | ✓ | |
| OATT Schedule 2 - Reactive Supply and Voltage Control Service (VAR) | Capacity Cost | Share of Monthly Regional Network Load and TOUT Reserved Capacity excluding CETs | N | OATT, II, Schedule 2, Sect.III MR-1, III.F.3.1 | ✓ | |
| OATT Schedule 8 - Through of Out Service | TOUT | TOUT Reserved Capacity | N | OATT, II.25.1 | | |
| OATT Schedule 9 - Regional Network Service - Pre 97 - Post 96 | Regional Network Service | Monthly Regional Network Load | N | OATT, II.21.1 | ✓ | |
| | Regional Network Service | Monthly Regional Network Load | N | OATT, II.21.1 | ✓ | |
| OATT Schedule 16 - Blackstart Service | Standard Rate Payment | | N | | | |
| | Blackstart Station-specific Rate Payment | | N | | | |
| | Non-Designated Blackstart Resource Study Cost Payments | Share of Monthly Regional Network Load ⁵ | Y | OATT, II, Schedule 16, Sect. 6 | ✓ | |
| | Equipment Damage Reimbursement | | Y | | | |
| | Lump Sum Blackstart Payment | | Y | | | |

Footnotes:

1. Charge reflected in the Regional Network Load Cost Report

2. Charge reflected in the Wholesale Load Cost Report

3. Daily deviations = Σ[Generator deviations, Demand Reduction deviations, Load Obligation deviations, Generation Obligation deviations at External nodes, Increment offer deviations] Excludes CETs

4. Allocators exclude CETs

5. All 5 Blackstart components are summed prior to allocation to Regional Network Load.

6. RT NCP Economic Reallocation during Scarcity Event - Share of Load Zone RTLO and Export Load Obligation excluding Postured DARD Load

7. RT NCP LSCPR Monthly Reallocation if trigger conditions are met - Share of Monthly Regional Network Load

8. Dispatchable Asset Related Demand (providing regulation) consumption above the Minimum Consumption Limit

Exhibit MOU-2
Proposed Service Territory of the GF Self-Managed Utility



Exhibit MOU-3
Proposed Transfers to VELCO/VTransco

| Location | Item | Qty/ Lot | Asset Description | Owner | Transfer To |
|-----------|---------|-------------|--|-------|----------------|
| Sub #86 | 86.01 | 2 | 115kV Oil Circuit Breaker, with BPD | GMP | VELCO |
| Sub #86 | 86.02 | 9 | 115kV Switches | GMP | VELCO |
| Sub #86 | 86.03 | 3 | 115kV Voltage Transformers (1591) | GMP | VELCO |
| Sub #86 | 86.04 | 3 | 115kV Voltage Transformers (1592) | GMP | VELCO |
| Sub #86 | 86.05 | 1 | Control & Metering Building, 20' by 20', Including interconnecting underground conduits and control cables | GMP | VELCO |
| Sub #86 | 86.06 | 1 | Lineup of four Protection & Control Panels | GMP | VELCO |
| Sub #86 | 86.07 | 1 | Lineup of two Metering Panels | GMP | VELCO |
| Sub #86 | 86.08 | 1 | 115kV High Speed Relay Transfer Trip Panel | GMP | VELCO |
| Sub #86 | 86.09 | 1 | Fiber Optic Patch Panel | GMP | VELCO |
| Sub #86 | 86.10 | 1 | SCADA Remote Terminal Unit with Satellite Clock | GMP | VELCO |
| Sub #86 | 86.11 | 3 | Lightning Arrestors (21-2) | GMP | VELCO |
| Sub #86 | 86.12 | 3 | Lightning Arrestors (24-2) | GMP | VELCO |
| Sub #86 | 86.13 | 1 | Lot of 115kV Insulators | GMP | VELCO |
| Sub #86 | 86.14 | 1 | Ground Grid, 115kV Switchyard | GMP | VELCO |
| Sub #86 | 86.15 | 1 | Kirk Key Interlocks (prevent 115kV tie through) | GMP | VELCO |
| Sub #86 | 86.16 | 1 | Structural Steel Towers, four dead end towers and associated bus supports | GMP | VELCO |
| Sub #86 | 86.17 | 1 | Concrete Foundations for circuit breakers, voltage transformers, lightning arrestors, structural steel support columns and towers | GMP | VELCO |
| Sub #86 | 86.18 | 1 | 115kV Aluminum Bus | GMP | VELCO |
| Sub #86 | 86.19 | 1 | Site Development, Grading & Gravel | GMP | VELCO |
| Sub #86 | 86.20 | 1 | Substation Perimeter Fence | GMP | VELCO |
| | | | | | |
| Sub #87 | 87.01 | 2 | 115kV Switches, 5932 & 5942 with Insulators and Supporting Hardware | GMP | VELCO |
| Sub #87 | 87.02 | 1 | Lineup of two 115kV Relay Protection Panels | GMP | VELCO |
| Sub #87 | 87.03 | 1 | One 115kV Metering and Annunciator Panel | GMP | VELCO |
| Sub #87 | 87.04 | 1 | 115kV High Speed Relay Transfer Trip Panel | GMP | VELCO |
| Sub #87 | 87.05 | 1 | Fiber Optic Patch Panel | GMP | VELCO |
| Sub #87 | 87.06 | 1 | SCADA Remote Terminal Unit with Satellite Clock | GMP | VELCO |
| Sub #87 | 87.07 | 1 | Battery Bank & Charger, 125VDC | GMP | VELCO |
| | | | | | |
| Line 1591 | 1591.01 | 1 | 3-Phases 336.4 MCM, ACSR Conductors, 0.83 miles | GMP | VELCO |
| Line 1591 | 1591.02 | 1 | One 3/8" Stranded Galvanized Steel Static Wire, 0.83 miles | GMP | VELCO |
| Line 1591 | 1591.03 | 17 | 115kV Wooden Structures & Hardware, Primarily Davit-Arm Construction, nine structures share GMP 34.5kV and communication underbuilt facilities | GMP | VELCO |
| Line 1591 | 1591.04 | 1 | Load-Break Switch 21-8687 | GMP | VELCO |
| Line 1591 | 1591.05 | 1 | Electric/Communication 75' Easement, 0.83 miles | GMP | VELCO |
| | | | | | |
| Line 1592 | 1592.01 | 1 | 3-Phases 336.4 MCM, ACSR Conductors, 0.67 miles | GMP | VELCO |
| Line 1592 | 1592.02 | 1 | One 3/8" Stranded Galvanized Steel Static Wire, 0.67 miles | GMP | VELCO |
| Line 1592 | 1592.03 | 1 | Load-Break Switch 24-86 | GMP | VELCO |
| Line 1592 | 1592.04 | 10 | 115kV Wooden Structures & Hardware, Primarily Davit-Arm Construction | GMP | VELCO |
| Line 1592 | 1592.05 | 1 | Fiber Optics, ADSS, 6 pair, 0.67 miles | GMP | VELCO |
| Line 1592 | 1592.06 | 1 | Electric/Communication 75' Easement, 0.67 miles, North and South of Winooski River | GMP | VELCO |
| | | | | | |
| Line 1593 | 1593.01 | 1 | 3-Phases 954 MCM, 54/7 ACSR Conductors, 0.02 miles, one span | GMP | VELCO |
| Line 1593 | 1593.02 | 1 | One 3/8" Stranded Galvanized Steel Static Wires, 0.02 miles | GMP | VELCO |
| Line 1593 | 1593.03 | 1 | Electric/Communication 75' Easement. 0.02 miles | GMP | VELCO |
| | | | | | |
| Line 1594 | 1594.01 | 1 | 3-Phases 954 MCM, 54/7 ACSR Conductors, 0.33 miles | GMP | VELCO |
| Line 1594 | 1594.02 | 1 | Two 3/8" Stranded Galvanized Steel Static Wires, 0.33 miles | GMP | VELCO |
| Line 1594 | 1594.03 | 2 | Load-Break Switch 24-87 | GMP | VELCO |
| Line 1594 | 1594.04 | 5 | 115kV Wooden H-Frame Supporting Structures & Hardware | GMP | VELCO |
| Line 1594 | 1594.05 | 1 | Fiber Optics, ADSS, 6 pair, 0.33 miles | GMP | VELCO |
| Line 1594 | 1594.06 | 1 | Electric/Communication 75' Easement, North of Winooski River | GMP | VELCO |

Exhibit MOU-4
Proposed Transfers to GMP

| Location | Item | Qty / Lot | Asset Description | Owner | Transfer To |
|-----------|---------|-----------|---|-------|-------------|
| Williston | WILL.01 | 2 | 115/13.8kV 37MVA Power Transformers, with Lightning Arrestors, Insulators and Supporting Structures | GF | GMP |
| Williston | WILL.02 | 1 | Lineup of 13.5kV switchgear with two transformer breakers and six feeder breakers | GF | GMP |
| Williston | WILL.03 | 1 | Misc. 115kV and 13.8kV equipment including insulators, instrument transformers and lightning arrestors | GF | GMP |
| Williston | WILL.04 | 1 | Station AC service and DC battery supplies | GF | GMP |
| Williston | WILL.05 | 1 | Misc. Equipment including relaying, control, monitoring and metering | GF | GMP |
| Williston | WILL.06 | 1 | Switchgear Building (Aprox. 1,530 sq. ft.) | GF | GMP |
| Williston | WILL.07 | 1 | Substation fence and all associated concrete foundations for circuit switchers, transformers, structural steel support columns and towers | GF | GMP |

Exhibit MOU-5
Proposed Transfers to GF

| Location | Item | Qty/ Lot | Asset Description | Owner | Transfer To |
|----------|-------|-------------|---|-------|----------------|
| Sub #86 | 86.21 | 2 | 115kV Circuit Switcher with Circuit Switcher Supports (151 and 152) | GMP | GF |
| Sub #86 | 86.22 | 2 | 115kV Circuit Switcher with Circuit Switcher Supports (153 and 154) | GMP | GF |
| | | | | | |
| Sub #87 | 87.08 | 3 | 115kV Lighting Arrestors (1593) | GMP | GF |
| Sub #87 | 87.09 | 3 | 115kV Lighting Arrestors (1594) | GMP | GF |



