

POWER PURCHASE AGREEMENT (PPA) FACT SHEET

To enter the PPA there are five contracts that will need to be signed as shown below. They include:

These traditional power contracts, just with Direct Energy instead of your current supplier.

- 1 Retail Commodity Master Agreement (CMA) with Direct Energy:** provides general terms and conditions that apply to both the Servicing Agreement and the TC over the 5-year contract.
- 2 Transaction Confirmation (TC) with Direct Energy:** contract defining the ultimate sale of electricity for a 5-year period.

These three contracts act together to delineate Direct Energy's, Prospect 14's, and each organizations' responsibilities for the PPA.

- 3 PPA Servicing Agreement with Direct Energy:** contract to manage PPA within the wholesale electricity market and our additional electricity over 5 years.
- 4 InSchedule Agreement with Direct Energy and Prospect 14:** a tri-party contract that gives authority for Direct Energy to act on our behalf with the solar generator, Prospect 14 and that all parties will cooperate.
- 5 PPA Master with Prospect 14:** governs the purchase of power from a solar generation asset located in Centre County for 15 years.

STRUCTURE OF PPA

Each entity will sign its own contract(s) that manages both PPA and retail services

Each entity will continue to receive its own monthly electricity invoice from West Penn Power

PPA Master - Prospect 14

- 15-year contract for an expected annual kWh amount at a set price
 - It will be a % of the total from the participating SPPA Working Group
- Option for (2) 5-year extensions

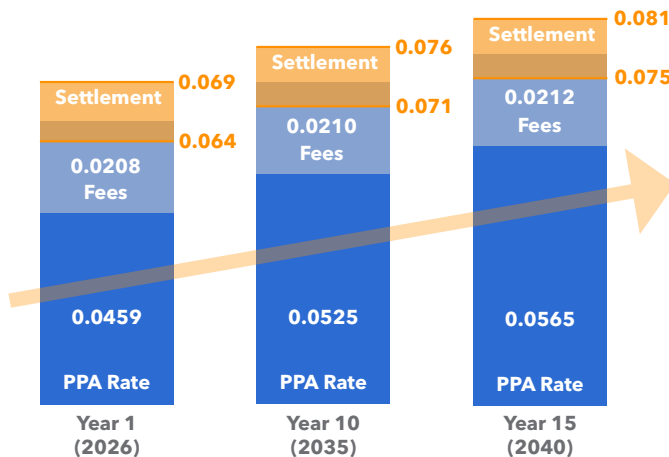
Retail | Servicing | Transaction - Direct Energy

- 5-year contract to manage the PPA and traditional grid electricity prices
 - Traditional grid electricity will start with market pricing, similar to current practice
- Option to add and delete individual accounts
- Bid out this service every 5 years

- On-going Group Service management of the contracts and counterparties associated with the PPA and retail supply agreement will be with Green Sky Development Group.

- Each organization will align their current electricity agreement term to the new SPPA term. It will vary for each organization and is part of the process.
- The PPA rate starts at a fixed price of \$0.0459/kWh for 15 years with 2 slight variables: a) an annual 1.5% escalator and b) settlement costs are expected to vary approximately +/- 5%

Cost (\$) per kWh

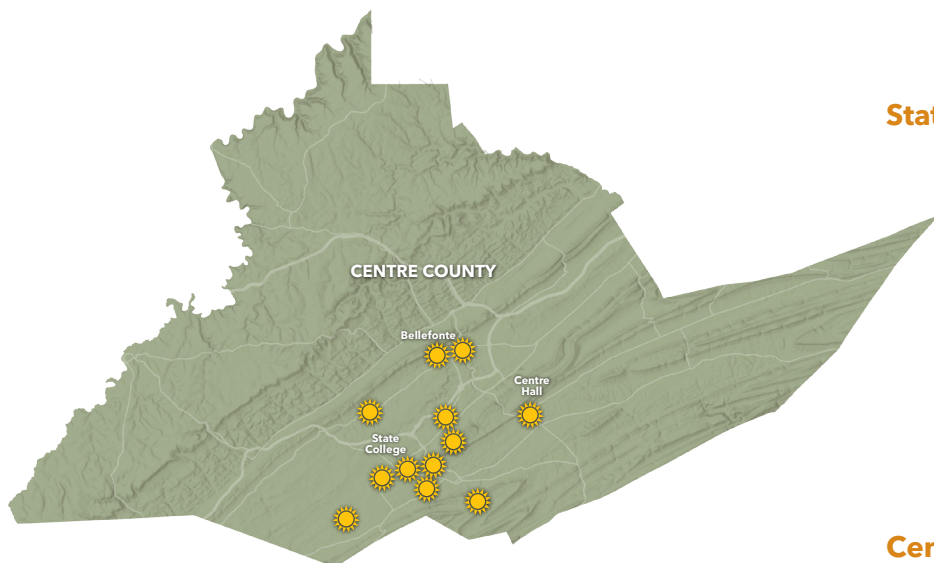


Fees include the **existing** PJM Grid Passthrough and Retail Adder (\$0.0175) + **new** PPA Management (\$0.00211) + **new** Group Service Contract (\$0.00123) - Year 1 costs

Settlement variability (+/-5%) accounts for solar variation in the day and seasons when traditional grid electricity will need to be purchased.

- Renewable Energy Credits (RECs) will be an option and managed annually through the retail services provided by Direct Energy
 - If there is a defined plan, then the instructions can be acted on annually
 - Otherwise, yearly maintenance is required for RECs

SPPA WORKING GROUP



- Centre County Government
- State College Area School District
- State College Borough Water Authority
- Centre County Housing Authority
- State College Borough
- Ferguson Township
- Harris Township
- Patton Township
- College Township
- College Township Water Authority
- Centre Hall Potter Sewer Authority
- Centre Region Council of Governments

KEY POINTS OF PPA

1. Extensive effort has gone into making the contracts the best for the group and making sure all organizations are protected. The intent is that these final contracts are for organizations to review to understand and ask questions.
2. This contract is for a Power Purchase Agreement (PPA). The solar electricity generated by this project will add renewable energy to the PA grid. The solar credit will be purchased by the utilities that have solar regulatory obligations. The size of the solar array is expected to be 22MW.
3. The PPA will cover 82% of the 12 organizations' electricity demand. Direct Energy will manage the PPA, and the remaining electricity demands.
4. The solar installation will be built in Walker Township in Centre County. The start date for solar generation is October 31, 2026, at the latest.
5. Total costs to explore this project are expected to be \$234,725 (no change since 9/26/23). If the project proceeds, Prospect 14 has offered to reimburse the Working Group members who sign contracts \$60,000 upon completion of certain milestones. Working Group total project costs would then be \$174,725 as outlined below:

Expense Type	Cost	Milestone Notes
Consulting Fees:	\$69,725	
Legal Fees:	\$165,000	
Reimbursement #1	- \$12,500	Signing of Contract
Reimbursement #2:	- \$12,500	Notice to Proceed Construction
Reimbursement #3:	- \$35,000	Commercial Operation Date
TOTAL PROJECT COSTS	\$174,725	

6. A working group formed from participating organizations will bid out for a retail service provider at the end of the Direct Energy contract (2025-2029). This group will also manage the 5-year Group Services contract for on-going services with Green Sky Development Group.