

**Maine Public Utilities Commission
Docket No. 2021-00369
Proposed Term Sheet for
Transmission Services Agreement under 35-A § 3210-I**

This Term Sheet establishes the essential terms for a potential transmission services agreement (TSA) between LS Power Grid Maine, LLC (LS Power) and either or both Central Maine Power Company and/or Versant Power (Utility or Buyer). These terms, as well as terms that address additional issues and related contractual rights and obligations will be incorporated into a TSA between LS Power and the Utility or Utilities. This Term Sheet is subject to the approval of the Maine Public Utilities Commission (Commission). The terms contained in this Term Sheet shall be binding on LS Power. The provisions of this Term Sheet, if approved by the Commission, will be reflected in a TSA between LS Power and the Utility or Utilities. Along with Commission Staff, the Utilities will participate in the negotiation of the final form of the TSA. Such TSA will be subject to further approval by the Commission.

As noted within, this Term Sheet reflects the Transmission Project and certain of the terms contained in the proposal submitted on March 1, 2022 to the Commission by LS Power pursuant to the Northern Maine Renewable Energy Development Program (Proposal). The Proposal was submitted in response to the Request for Proposals for Renewable Energy Generation and Transmission Projects issued by the Maine Public Utilities Commission pursuant to the Northern Maine Renewable Energy Development Program on November 29, 2021 (RFP).

Developer/Owner	LS Power Grid Maine, LLC, a wholly owned subsidiary of LS Power Associates, L.P. or its permitted assignee as defined in the TSA.
Project Description	<p>As described in the Proposal, the Project is a 345kV double circuit transmission line and associated Proposed Interconnection Facilities (as defined below) with a northern terminus at a new substation in southern Aroostook County (Base Option).</p> <p>The Proposal includes a Northern Segment Option to extend the northern terminus approximately 44 miles further north to a new substation at Bull Ridge via a single circuit 345 kV line (Northern Segment Option).</p> <p>The southern terminus of the Project is proposed to be a new 345 kV Pittsfield Substation.</p>

	<p>As described in the Proposal, the Project includes: (a) two single circuit 345 kV transmission lines, one from the Pittsfield Substation to the existing Coopers Mills Substation and one between the Coopers Mills and Maine Yankee Substations and associated Upgrades at Coopers Mills and Maine Yankee; and (b) a new +/- 200 MVAR static synchronous compensator located near Coopers Mills Substation (collectively, Proposed Interconnection Facilities).</p> <p>The Proposal states the Project will be capable of delivering 1,200 MW of renewable power from Aroostook County into the ISO New England transmission system.</p>
<p>Project Description and Components/ Proposed Route/Site Control</p>	<p>Sections 2.A, 2.B, and 2.C of the Proposal describe the Project design and proposed components, capacity and voltage; amount of transmission capacity; and the location/route of facilities, interconnection points with ISO-NE, site control and use of existing rights-of-way and are incorporated herein by reference.</p>
<p>Interconnection Status</p>	<p>The Project is being proposed as an elective transmission upgrade (ETU) pursuant to the ISO-NE Tariff. In February 2022, LS Power filed an ETU interconnection request with the ISO-NE for a 1,200 MW injection at a new Pittsfield 345 kV substation connected to the Orrington–Albion Road 345 kV transmission line near Pittsfield, ME and was assigned a queue position for the Base Option. In April 2022, ISO-NE initiated the Third Maine Resource Integration Study to identify potential transmission infrastructure that could be used to interconnect queued generation and elective transmission upgrades in northern Maine.</p> <p>If the Project is selected by the Commission, LS Power will, in accordance with the ISO-NE Tariff: (a) take appropriate actions to account for the Proposed Interconnection Facilities, and, if applicable, the Northern Segment Option, in the ISO-NE cluster study process, and (b) work with ISO-NE to identify the</p>

	Project as a replacement for the applicable cluster enabling transmission upgrades.
Proposed Pricing	<p>Base Option:</p> <ul style="list-style-type: none"> • Price at COD: █████/kW-month • Capacity: 1,200 MW • Annual Escalation: 1% <p>Base and Northern Segment Option:</p> <ul style="list-style-type: none"> • Price at COD: \$█████/kW-month • Capacity: 1,200 MW • Annual Escalation: 1% <p>If LS Power does not construct, own, or have any cost responsibility for one or more of the components of the Proposed Interconnection Facilities, then the Price at COD will be reduced for each as shown below:</p> <ul style="list-style-type: none"> • \$█████/kW-month for exclusion of the single-circuit 345 kV transmission line between Pittsfield Substation and Coopers Mills Substation • \$█████/kW-month for exclusion of the single-circuit 345 kV transmission line between Coopers Mills Substation and Maine Yankee Substation • \$█████/kW-month for exclusion of the Coopers Mills STATCOM <p>Payments for transmission service will begin when construction of those portions of the Project that are within LS Power’s scope and under LS Power’s control to complete are complete and capable of transmitting power (COD). The proposed annual escalation factor will apply beginning at the one-year anniversary of COD.</p> <p>By way of example, if the Commission were to select the Base and Northern Segment Option, the monthly contract payment during the Contract Year immediately following COD would be \$█████ (\$█████ times 1,200,000 kW). The monthly contract payment during the second Contract Year following COD</p>

	<p>would be \$ [REDACTED] (\$ [REDACTED] times 1,200,000 kW).</p> <p>To the extent that FERC does not approve the fixed price mechanism set forth herein, LS Power would be willing to incorporate a cost of service with binding cap pricing model into the TSA (with the binding cap being equal to the fixed price that would otherwise be applicable), consistent with LS Power’s comments submitted to the Commission on July 27, 2022.</p>																
Term	The proposed term of the TSA is 30 years, inclusive of the period for development, construction, and commercial operations.																
Expected Commercial Operations	LS Power anticipates energization of the line in June 2028, but no later than January 1, 2029.																
Project Milestones	<p>The TSA will include key Project Milestone Dates and other requirements, including the requirement to provide Project Financial Assurance as provided below. Subject to reasonable permitted extensions and cure periods to be negotiated in the TSA, failure to achieve key Project Milestones may result in the termination of the TSA and forfeiture of any Project Financial Assurance provided to the Utilities.</p> <table border="1" data-bbox="756 1255 1417 1740"> <thead> <tr> <th>Project Milestone</th> <th>Milestone Date</th> </tr> </thead> <tbody> <tr> <td>TSA executed</td> <td>May 2023</td> </tr> <tr> <td>CPCN filed</td> <td>September 2023</td> </tr> <tr> <td>Majority of Project land rights acquired</td> <td>June 2026</td> </tr> <tr> <td>All permits necessary to commence construction received</td> <td>September 2026</td> </tr> <tr> <td>Transmission line construction notice to proceed issued</td> <td>September 2026</td> </tr> <tr> <td>Substation construction notice to proceed issued</td> <td>March 2027</td> </tr> <tr> <td>COD</td> <td>January 2029</td> </tr> </tbody> </table> <p>Pursuant to the provisions of the TSA, Milestone Dates may be extended for good cause with the approval of the Commission.</p>	Project Milestone	Milestone Date	TSA executed	May 2023	CPCN filed	September 2023	Majority of Project land rights acquired	June 2026	All permits necessary to commence construction received	September 2026	Transmission line construction notice to proceed issued	September 2026	Substation construction notice to proceed issued	March 2027	COD	January 2029
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	<p>Annually, beginning with the execution of the TSA, LS Power will be required to submit a report to the Utilities and the Commission detailing progress toward the Key Milestone Dates and shall, at any time, notify the Commission if any required permit or authorization is denied.</p>
<p>Pricing Contingencies</p>	<p>Consistent with Section 8.2 of the RFP, any condition or contingency that directly relates to the pricing in the Proposal must be: (1) within the control of the Commission; or (2) known or determined by a date specified in the Proposal, which date must be no later than October 1, 2022 unless extended by the Commission.</p> <p>LS Power has proposed no pricing contingency or contingencies that meet such requirements. Accordingly, the Proposed Pricing specified in this Term Sheet will be firm and binding upon LS Power in the event the Commission selects the LS Power Proposal.</p> <p>LS Power will be responsible for the cost of all Interconnection Facilities and System Upgrades associated with the Project that are assigned to LS Power, including all such facilities and upgrades identified and required by the applicable provisions of the ISO-New England Transmission, Markets, and Services Tariff (ISO-NE Tariff) and the Open Access Transmission Tariff (OATT) and there will be no pricing adjustment as a result of any such costs allocated to the Project through the ISO-NE Tariff.</p>
<p>Utility Financial Assurance</p>	<p>If, at any time during the term of the TSA, Utility's credit rating falls below an investment grade level and Utility's net worth is less than \$275 million, Utility will be required to deliver financial assurance to LS Power in the form of a) cash, b) an irrevocable letter of credit from a commercial bank authorized to do business in the U. S. with an unsecured debt rating of A-/A3 or the equivalent or c) other security acceptable to the Commission and</p>

	<p>Seller. Such financial assurance shall be in an amount equal to two (2) months of contract payments due to LS Power pursuant to the TSA.</p>
<p>Project Financial Assurance</p>	<p>Prior to COD, the Project will be required to provide Pre-COD Project Financial Assurance totaling \$25 million, to be delivered to the Utilities according to the following schedule:</p> <ul style="list-style-type: none"> • 10% or \$2.5 million within five (5) business days after execution of the TSA; • The remaining 90% or \$22.5 million within five (5) business days after the Project issues its Transmission Line Construction Notice to Proceed. <p>The Project will not be required to provide any additional Financial Assurance post-COD. Upon the completion of 180 days of continuous commercial operations the Pre-COD Financial Assurance will be returned to LS Power.</p>