

February 1, 2022

PUBLIC UTILITIES COMMISSION
Request for Proposals for Renewable
Energy Generation and Transmission
Projects Pursuant to the Northern Maine
Renewable Energy Development Program

TRANSMISSION SERVICE
AGREEMENT ESSENTIAL
TERMS

Section 3.1 of the Request for Proposals for Renewable Energy Generation and Transmission Projects Pursuant to the Northern Maine Renewable Energy Development Program issued on November 29, 2021 (RFP), states that the rights to capacity on a Transmission Project selected “will be conveyed to one or more transmission and distribution utilities (T&D Utilities) pursuant to a Transmission Service Agreement (TSA), and, ultimately, used to connect and transmit power from one or more Generation Projects.” Section 3.1 further states that the Commission would make available “the essential terms of the TSA” that the Commission will expect the Transmission Project and the T&D Utilities to accept.

The following is a summary of essential terms of a TSA that the Commission expects a selected Transmission Project and the T&D Utility contract party to accept. The Commission will most likely request bidders to propose a TSA form agreement at an appropriate point in the selection process, such as, when a bidder has been selected for a short list.

Commercial Terms

The TSA will include customary commercial terms specific to the proposed Transmission Project including those relevant to:

- a) Description of the facility, including its design, capacity and voltage; amount and nature of the transmission capacity, such as amounts per kW/month; description of the route of the Transmission Project; interconnection and delivery point within the ISO-NE system; description of project type in terms of tariff treatment or regulatory status.
- b) Term. The preferred term of the TSA is 30 years, which will commence on the effective date of the TSA and will include the period of time for development, construction and commercial operation of the line. Terms of a different duration may be considered and approved by the Commission.
- c) Pricing and payment provisions.
- d) The Transmission Project’s obligations to adhere to good utility practice, meet industry standards and all applicable design, engineering, construction, operation and maintenance standards and practices applicable to the Transmission Project

throughout the term of the TSA, and the Project's cost-related obligations of doing so.

- e) Events of Default and Remedies, including, in the event the Transmission Project has failed to meet development milestones and the TSA has been terminated, the transfer of ownership of the project and all relevant agreements or contracts to another entity for completion of the project, placing it into service, and operating it for the duration of the TSA.
- f) Decommissioning requirements, force majeure provisions, inspection and audit rights, successor and assignment provisions, dispute resolution and indemnification.

Development Milestones and Commercial Operations

The TSA will include a specified commercial operation date (COD) and critical milestones consistent with the stated intention of the Act that projects be developed and placed into operation promptly. The Transmission Project will be required to post credit support to secure its obligations under the agreement to construct and operate the Transmission Project consistent with the terms of the TSA, including throughout the pre- and post-COD periods. See: *Financial Assurance*.

The TSA will include provisions that obligate the Transmission Project to meet certain key milestones, which shall be specified in the TSA with stated dates by which each must be met, including those related to: site control and land rights; permit and siting approvals; federal, regional, state and local regulatory approvals; ISO-NE interconnection study process commencement and completion; commencement of construction; and commercial operations.

Financial Assurance

The TSA will include the requirement that the transmission developer provide credit support to secure its obligations (i) under the agreement, including all obligations during the pre- and post-COD periods and (ii) as they may impact other aspects of this procurement process. The amount of credit support will be determined by the Commission based on the Commission's assessment of the risks and benefits related to the Transmission Project, including amounts sufficient to secure the Project's obligations under the TSA and may also include amounts intended to secure against risks associated with or to which Generation Project(s) may be exposed in the event the Transmission Project is delayed or canceled and/or the TSA is terminated for any reason.

Acceptable forms of financial assurance are: (i) cash (U.S. currency); (ii) an irrevocable, transferable and unconditional standby letter of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch and such bank having a minimum

credit rating of A- from S&P or A3 from Moody's; or (iii) such other financial assurance as is accepted by the Commission and the party receiving such assurance.

Regulatory and Other Authorizations

The Transmission Project contract party will be obligated to apply, obtain and hold all required authorizations, including licenses, permits, consents, decrees, waivers, privileges and approvals from governmental entities at federal, regional, state and local levels as required by law to commence and complete construction of the Transmission Project, and to develop and operate the project consistent with the terms of the TSA throughout the term, and is responsible for all costs of doing so.

Compliance with Applicable ISO-NE or FERC Rules or Tariffs

The Transmission Project and any other party to the TSA will be obligated to comply with all rules, regulations, tariffs, procedures, and other provisions that are applicable to it, including those administered by or jurisdictional to the Federal Energy Regulatory Commission (FERC), ISO-NE, or other federal, regional or state entity.

Rights of Use; Open and Fair Access

The TSA will include provisions that ensure open and fair access to and use of the Transmission Project, including provisions related to interconnection and transmission using the project, including by Generation Projects participating in this RFP process.

As set forth in section 3.1 of the RFP, a bidder who objects to or seeks to modify any of the foregoing essential terms should specify such objections or modifications with its proposal.

Dated at Hallowell, Maine, this 1st day of February, 2022.

BY ORDER OF THE PRESIDING OFFICER



Elizabeth J. Wyman