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June 30, 2026

RECEIVED
JUN 30 2026
PUBLIC SERVICE COMMISSION

Via Electronic Tariff Filing System

Ms. Linda C. Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: *Rate H – Wholesale Renewable Energy Program*

Dear Ms. Bridwell:

Enclosed, please find for filing, East Kentucky Power Cooperative Inc.'s ("EKPC") proposed updates to Rate H – Wholesale Renewable Energy Program, P.S.C. No. 35, Third Revised Sheet No. 35 ("Rate H").

In Case No. 2025-00208, the Commission approved making the Availability of Service, Option B a permanent program instead of a pilot program that ended in March 2025.[1] EKPC is now adding clarifying language to Option B and Option C noting that option is only for commercial and industrial members. Commercial and industrial customers have always been the only members that could take service under Option B and Option C, EKPC is just explicitly clarifying this.

Additionally, EKPC is modifying Rate, Option B such that the credit can only be the PJM Interconnection LLC ("PJM") Locational Marginal Price ("LMP"). EKPC is proposing this change for consistency amongst all other tariff programs with credits. All other programs are based upon the LMP. EKPC is also proposing this revision because the current Rate, Option B allows for the credit to be based upon avoided costs of fuel and variable environmental surcharge when those costs are lower than the LMP. EKPC's billing system does not allow for this type of credit calculation. If ever in a single month that EKPC's avoided cost for fuel and variable environmental surcharge calculated to be less than the LMP, EKPC would have to spend a substantial amount upgrading its billing and accounting systems.

[1] *Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief*, Case No. 2025-00208, April 23, 2026 Order at 79-80 (Ky. P.S.C. April 23, 2026).

If you have any questions, please let me know.

Sincerely,

Heather S. Temple

Heather S. Temple

Enc.

Rate H

Wholesale Renewable Energy Program

Standard Rider

This Renewable Energy Program is a rider to Rates B, C, E and G. The purpose of this program is to provide EKPC owner-members with a source of renewable energy or renewable energy attributes for resale to their retail members.

Applicability

In all territories of owner-member of EKPC.

Definitions

a. "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b. A "Renewable Energy Certificate" ('REC') is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

Availability of Service

Option A: Owner-members may participate in the program by contributing monthly as much as they like in $2.50 increments (e.g. $2.50, $5.00, $7.50, or more per month). Funds provided by owner-members are not refundable.

Option B: Owner-members may, after entering into an agreement with their Commercial and Industrial ("C&I") retail member and EKPC, offer renewable energy to offset a portion or all of the energy consumed by the retail member utilizing owner-member's firm service rates. T

Option C: Owner-members may participate in this REC program, after entering into an agreement with their C&I retail member, by offering the C&I retail members the opportunity to purchase RECs through their owner-member and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumed to be considered renewable. D

Eligibility

All EKPC owner-members are eligible for this rider.

Under Option A, the owner-member will indicate the amount of voluntary Renewable Energy Program Contributions that the owner-member intends to purchase monthly. All owner-members will have executed a Renewable Energy Program Agreement with the participating retail member.

Rate H (continued)

Under Option B, the retail member in conjunction with the owner-member and EKPC, will determine the amount of renewable energy to be provided to the retail member. The minimum renewable energy capacity to be purchased, supplied, or secured by EKPC in the agreement should be 1 MW. The maximum annual renewable energy under the agreement can't exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be selected by individually participating retail members. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with the owner-member and EKPC, will determine the type of renewable resource and number of RECs the owner-member and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or the type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the customer's annual usage.

Monthly Program Participation

Option A

Renewable Energy Program Contributions: The monthly Renewable Energy Program Contributions by the owner-member is the total monthly voluntary contribution by the owner-member's participating retail members in any $2.50 increments for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type minus $0.25 per increment retained to help offset administrative and advertising costs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kwhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.

Rate H (continued)

Option C

Participating C&I retail members will pay the market value of the RECs purchased on their behalf without markup from the owner-member or EKPC. They will have the option to instruct the owner-member and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements

Monthly Program Participation

Under Option A, EKPC will bill the owner-member at the rate of $2.50 per increment. The sum of the Renewable Energy Program Contributions from each renewable energy resource type pledged under this tariff shall constitute the total amount that the owner-member may be billed during a normal billing period. Existing Wholesale Renewable Energy Program ("Envirowatts") retail participants will be billed at the existing retail rate from their owner-member.

Under Option B, EKPC will increase the owner-member monthly wholesale power bill by the negotiated and contracted renewable energy rate and delivered renewable energy for each participating agreement while providing a credit for the PJM Locational Marginal Price ("LMP") and capacity credits when applicable. T

Under Option C, EKPC will increase the owner-member monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (i.e. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1112 of the annual short-term borrowing rate will be added to the participant's bill.

Terms of Service and Payment

This rate shall be subject to all other terms of service and payment of the wholesale power tariff.

Rate H (continued)

Fuel Adjustment Clause

Under Options A and C, the fuel adjustment clause is not applicable to the Renewable Energy Program Contributions.

Under Option B, EKPC will provide a credit on the owner-member's monthly wholesale power bill for the avoided cost of the base fuel and the Fuel Adjustment Clause equal to the delivered renewable energy monthly for each participating agreement.

Environmental Surcharge

Under Options A and C, the environmental surcharge is not applicable to the Renewable Energy Program Contributions.

Under Option B, EKPC will provide a credit on the owner-member's monthly wholesale power bill for the avoided cost of the variable environmental surcharge equal to the delivered renewable energy monthly for each participating agreement.

Total Credits

Under Option B, the total credit on the owner-member's monthly wholesale power bill will be the total of the avoided costs from base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable environmental surcharge for the delivered renewable energy. The total credit will be limited to LMP. D

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;
i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and
j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER> **<CO-OP>**

_____	_____
CUSTOMER NAME (please print)	<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)
_____	_____
CUSTOMER SIGNATURE	SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

[COOP]

By: _____

Title:_____

[GUARANTOR]

By: _____

Title:_____

Rate H

Wholesale Renewable Energy Program

Standard Rider

This Renewable Energy Program is a rider to Rates B, C, E and G. The purpose of this program is to provide EKPC owner-members with a source of renewable energy or renewable energy attributes for resale to their retail members.

Applicability

In all territories of owner-member of EKPC.

Definitions

a. "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b. A "Renewable Energy Certificate" ('REC') is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

Availability of Service

Option A: Owner-members may participate in the program by contributing monthly as much as they like in $2.50 increments (e.g. $2.50, $5.00, $7.50, or more per month). Funds provided by owner-members are not refundable.

Option B: *O*wner-members may, after entering into an agreement with their ~~c~~Commercial and ~~i~~Industrial (“C&I”) retail member and EKPC, offer renewable energy to offset a portion or all of the energy consumed by the retail member utilizing owner-member's firm service rates. T

Option C: Owner-members may participate in this REC program, after entering into an agreement with their ~~commercial and industrial (”~~C&I~~”)~~ retail member, by offering the C&I retail members the opportunity to purchase RECs through their owner-member and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumed to be considered renewable. D

Eligibility

All EKPC owner-members are eligible for this rider.

Under Option A, the owner-member will indicate the amount of voluntary Renewable Energy Program Contributions that the owner-member intends to purchase monthly. All owner-members will have executed a Renewable Energy Program Agreement with the participating retail member.

Rate H (continued)

Under Option B, the retail member in conjunction with the owner-member and EKPC, will determine the amount of renewable energy to be provided to the retail member. The minimum renewable energy capacity to be purchased, supplied, or secured by EKPC in the agreement should be 1 MW. The maximum annual renewable energy under the agreement can't exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be selected by individually participating retail members. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with the owner-member and EKPC, will determine the type of renewable resource and number of RECs the owner-member and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or the type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the customer's annual usage.

Monthly Program Participation

Option A

Renewable Energy Program Contributions: The monthly Renewable Energy Program Contributions by the owner-member is the total monthly voluntary contribution by the owner-member's participating retail members in any $2.50 increments for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type minus $0.25 per increment retained to help offset administrative and advertising costs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kwhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.

Rate H (continued)

Option C

Participating C&I retail members will pay the market value of the RECs purchased on their behalf without markup from the owner-member or EKPC. They will have the option to instruct the owner-member and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements

Monthly Program Participation

Under Option A, EKPC will bill the owner-member at the rate of $2.50 per increment. The sum of the Renewable Energy Program Contributions from each renewable energy resource type pledged under this tariff shall constitute the total amount that the owner-member may be billed during a normal billing period. Existing Wholesale Renewable Energy Program ("Envirowatts") retail participants will be billed at the existing retail rate from their owner-member.

Under Option B, EKPC will increase the owner-member monthly wholesale power bill by the negotiated and contracted renewable energy rate and delivered renewable energy for each participating agreement while providing a credit for the *PJM Locational Marginal Price ("LMP")* ~~avoided cost of base fuel per MWh of renewable energy delivered~~ and capacity credits when applicable. T

Under Option C, EKPC will increase the owner-member monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1112 of the annual short-term borrowing rate will be added to the participant's bill.

Terms of Service and Payment

This rate shall be subject to all other terms of service and payment of the wholesale power tariff.

Rate H (continued)

Fuel Adjustment Clause

Under Options A and C, the fuel adjustment clause is not applicable to the Renewable Energy Program Contributions.

Under Option B, EKPC will provide a credit on the owner-member's monthly wholesale power bill for the avoided cost of the base fuel and the Fuel Adjustment Clause equal to the delivered renewable energy monthly for each participating agreement.

Environmental Surcharge

Under Options A and C, the environmental surcharge is not applicable to the Renewable Energy Program Contributions.

Under Option B, EKPC will provide a credit on the owner-member's monthly wholesale power bill for the avoided cost of the variable environmental surcharge equal to the delivered renewable energy monthly for each participating agreement.

Total Credits

Under Option B, the total credit on the owner-member's monthly wholesale power bill will be the total of the avoided costs from base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable environmental surcharge for the delivered renewable energy. The total credit will be limited to ~~the lesser of the total credit as described in the Fuel Adjustment Clause and Environmental Surcharge sections above or~~ the PJM ~~Localized Marginal Cost (~~"LMP"~~)~~. D

~~of Kentucky in Case No. 2025-00208 dated April, 23 2026.~~

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) **By Customer.** The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

[COOP]

By: _____

Title:_____

[GUARANTOR]

By: _____

Title:_____

Big Sandy Rural Electric
Cooperative Corporation
504 11th Street
Paintsville, Kentucky 41240-1422
(606) 789-4095 • Fax (606) 789-5454
Toll Free (888) 789-RECC (7322)

June 18, 2026

Ms. Linda C. Bridwell, P.E
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Dear Ms. Bridwell:

Please find enclosed for electronic filing with the Commission, Big Sandy RECC's Renewable Energy Program.

If you have any questions, please let me know.

Very truly yours,

Jeff Prater
President & General Manager

Enclosures

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Big Sandy Rural Electric Cooperative Corporation, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Big Sandy Rural Electric Cooperative Corporation, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. D

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B –A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Big Sandy Rural Electric Cooperative Corporation and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Big Sandy Rural Electric Cooperative Corporation and EKPC, C&I retail members have the opportunity to purchase RECs through Big Sandy Rural Electric Cooperative Corporation and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Big Sandy Rural Electric Cooperative Corporation and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Big Sandy Rural Electric Cooperative Corporation and EKPC will determine the type of renewable resource and *number* of RECs Big Sandy Rural Electric Cooperative Corporation and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM *Locational* Marginal *Price ("LMP").* *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Big Sandy Rural Electric Cooperative Corporation and EKPC. They will have the option to instruct Big Sandy Rural Electric Cooperative Corporation and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Big Sandy Rural Electric Cooperative Corporation and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Big Sandy Rural Electric Cooperative Corporation will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Big Sandy Rural Electric Cooperative Corporation and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____ Solar _____% of RECs

_____ Wind _____% of RECs

_____ Hydro _____% of RECs

_____ Landfill Methane Gas _____% of RECs

_____ Biomass _____% of RECs

_____ Least-Cost Resource _____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

[COOP]

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

RENEWABLE ENERGY
PURCHASE AGREEMENT

N

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery. N

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated. N

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

CUSTOMER NAME (please print)

CUSTOMER SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

SIGNATURE

<CO-OP>

<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

SIGNATURE

N

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass



SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Big Sandy Rural Electric Cooperative Corporation , via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Big Sandy Rural Electric Cooperative Corporation , and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources ~~deemed to be Green-e certified~~. D

b. A~~n~~ REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B – ~~Option B is available on or before March 25, 2025.~~ A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Big Sandy Rural Electric Cooperative Corporation and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Big Sandy Rural Electric Cooperative Corporation and EKPC, ~~commercial and industrial (~~"C&I~~")~~ retail members have the opportunity to purchase RECs through Big Sandy Rural Electric Cooperative Corporation and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Big Sandy Rural Electric Cooperative Corporation and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Big Sandy Rural Electric Cooperative Corporation and EKPC will determine the type of renewable resource and ~~amount~~ *number* of RECs Big Sandy Rural Electric Cooperative Corporation and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Big Sandy Rural Electric Cooperative Corporation per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

DATE OF ISSUE: ~~May 31, 2024,~~ *June 30, 2026*

DATE EFFECTIVE: Service rendered on and after ~~July 1, 2024,~~ *July 30, 2026*

ISSUED BY: Jeff Prater

Jeff Prater,
President and Chief Executive Officer

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Big Sandy Rural Electric Cooperative Corporation and EKPC. They will have the option to instruct Big Sandy Rural Electric Cooperative Corporation and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Big Sandy Rural Electric Cooperative Corporation and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Big Sandy Rural Electric Cooperative Corporation will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Big Sandy Rural Electric Cooperative Corporation and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance.**

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al 1 covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

[COOP]

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

JACKSON ENERGY COOPERATIVE
A Touchstone Energy Cooperative

115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 ● Fax (606 364-1007

June 24, 2026

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Via Tariff Filing System

Re: Renewable Energy Program Tariff Filing

Ms. Bridwell:

Enclosed, please find for filing, Jackson Energy Cooperative Corporation revised Renewable Energy Program Tariff and Jackson Energy Cooperative Corporation revised Purchase Agreement.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

April Renner
Vice President of Corporate Services

Jackson Energy Cooperative Corporation

Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all rate schedules used by the Cooperative. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are three (3) options. Jackson Energy Cooperative Corporation ("Jackson Energy"), via its participation in East Kentucky Power Cooperative's ("EKPC") Wholesale Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy (Envirowatts), purchase renewable energy, or purchase RECs. Alternatively, the retail member, Jackson Energy, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T T

Applicable

In all territory served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources.

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy. T

Availability of Service

This rider is available to any member on any rate schedule. T

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable. T

Option B – A commercial and industrial ("C&I") member may, after entering into a special agreement with Jackson Energy and EKPC, purchase renewable energy to offset the member's existing energy consumptions under the members' applicable rate schedule. T

Option C – After entering into an agreement with Jackson Energy and EKPC, C&I retail members have the opportunity to purchase RECs through Jackson Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of the energy consumption to be considered renewable. D

Date of Issue: June 24, 2026

Date Effective: Services rendered on or after July 30, 2026

Issued By: 
President & CEO

Jackson Energy Cooperative Corporation

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program. T D

Under Option B, a retail member must execute an agreement with Jackson Energy and EKPC to purchase, supply or secure a minimum renewable capacity of (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Jackson Energy and EKPC, will determine the type of renewable resource and number of RECs Jackson Energy and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECS equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T D

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM Locational Marginal Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation. T

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Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Jackson Energy and EKPC. They will have the option to instruct Jackson Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Jackson Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation. T T

Billing and Minimum Charge

Under Option A, the member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge. T

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Jackson Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy Certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Jackson Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each member.

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Jackson Energy Cooperative Corporation, with its principal place of business at 115 Jackson Energy Lane, McKee, KY 40447 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

JACKSON ENERGY COOPERATIVE CORPORATION

_____
JACKSON ENERGY COOPERATIVE CORPORATION
(please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Jackson Energy Cooperative Corporation** a Kentucky corporation with its principal offices at 115 Jackson Energy Lane, McKee, KY 40447 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

JACKSON ENERGY COOPERATIVE CORPORATION

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Jackson Energy Cooperative Corporation, with its principal place of business at 115 Jackson Energy Lane, McKee, KY 40447 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery. N

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

JACKSON ENERGY COOPERATIVE

_____
JACKSON ENERGY COOPERATIVE (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY



Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all rate schedules used by the Cooperative. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are three (3) options. Jackson Energy Cooperative Corporation ("Jackson Energy"), via its participation in East Kentucky Power Cooperative's ("EKPC") *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail ~~customers~~ *members* to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Jackson Energy, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T T

Applicable

In all territory served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable ~~certified~~ resources. D

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one *(1)* MWh of renewable energy.

Availability of Service

This rider is available to any ~~customer~~ *member* on any rate schedule. T

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate ~~their~~ *a* "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program ~~(solar, wind, hydroelectric, or landfill gas).~~ *Funds contributed by retail members are not refundable.* T

Option B – A *commercial and industrial ("C&I")* member may, after entering into a special agreement with Jackson Energy and EKPC, purchase renewable energy to offset the member's existing energy consumptions under the members' applicable rate schedule. T

Option C – After entering into an agreement with Jackson Energy and EKPC, ~~commercial & industrial ("~~C&I~~")~~ retail members have the opportunity to purchase RECs through Jackson Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of the energy consumption to be considered renewable. D

Date of Issue: ~~May 18, 2026~~ *June 24, 2026*

Date Effective: Services rendered on or after ~~May 1, 2026~~ *July 30, 2026*

Issued By: _____
President & CEO

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" *form* must be ~~signed~~ *completed for enrollment* by the member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program. ~~Funds contributed by retail members are not refundable.~~ T D

Under Option B, a retail member must execute an agreement with Jackson Energy and EKPC to purchase, supply or secure a minimum renewable capacity of (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Jackson Energy and EKPC, will determine the type of renewable resource and ~~amount~~ *number* of RECs Jackson Energy and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contribution of any amount in $2.75 increments shall be made pursuant to the terms of "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECS equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the ~~base fuel, the fuel adjustment clause, capacity credit when applicable, the variable portion of the Environmental Surcharge that EKPC credited to Jackson Energy per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, variable environmental surcharge for the renewable energy delivered pursuant to the agreement. The total credit will be the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Margin*al* ~~Cost~~ *Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

Date of Issue: ~~November 3, 2021~~ *June 24, 2026*

Date Effective: Services rendered on or after ~~December 3, 2021~~ *July 30, 2026*

Issued By: _____
President & CEO

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Jackson Energy ~~or~~ *and* EKPC. They will have the option to instruct Jackson Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; *or* (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Jackson Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

Billing and Minimum Charge

Under Option A, the member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing ~~envirowatts~~ *Renewable Resource Energy* retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge. T

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Jackson Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy Certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Jackson Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each member.

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Jackson Energy Cooperative Corporation, with its principal place of business at 115 Jackson Energy Lane, McKee, KY 40447 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

JACKSON ENERGY COOPERATIVE CORPORATION

_____
JACKSON ENERGY COOPERATIVE CORPORATION (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Jackson Energy Cooperative Corporation**, a Kentucky corporation with its principal offices at 115 Jackson Energy Lane, McKee, KY 40447 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

JACKSON ENERGY COOPERATIVE CORPORATION

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

Grayson Rural Electric Cooperative Corporation

109 Bagby Park ♦ Grayson, KY 41143-1292
Telephone 606-474-5136 ♦ 1-800-562-3532 ♦ Fax 606-474-5862

June 26, 2026

Via Electronic Tariff Filing System

Ms. Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Schedule REP Renewable Energy Program

Dear Ms. Bridwell,

Enclosed please find for filing and updated version of Grayson Rural Electric Cooperative Corporation Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It necessary for Grayson Rural Electric Cooperative Corporation to make this change as well so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Bradley Cherry

Bradley Cherry
President & CEO

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Grayson Rural Electric Cooperative Corporation, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Grayson Rural Electric Cooperative Corporation, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. D

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B –A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Grayson Rural Electric Cooperative Corporation and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Grayson Rural Electric Cooperative Corporation and EKPC, C&I retail members have the opportunity to purchase RECs through Grayson Rural Electric Cooperative Corporation and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

DATE OF ISSUE: *June 30, 2026*

DATE EFFECTIVE: Service rendered on and after *July 30, 2026*

ISSUED BY: Bradley Cherry
Bradley Cherry
President and Chief Executive Officer

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Grayson Rural Electric Cooperative Corporation and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Grayson Rural Electric Cooperative Corporation and EKPC will determine the type of renewable resource and *number* of RECs Grayson Rural Electric Cooperative Corporation and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM *Locational* Marginal *Price ("LMP")*. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

DATE OF ISSUE: *June 30, 2026*

DATE EFFECTIVE: Service rendered on and after *July 30, 2026*

ISSUED BY: Bradley Cherry
Bradley Cherry
President and Chief Executive Officer

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Grayson Rural Electric Cooperative Corporation and EKPC. They will have the option to instruct Grayson Rural Electric Cooperative Corporation and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Grayson Rural Electric Cooperative Corporation and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Grayson Rural Electric Cooperative Corporation will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Grayson Rural Electric Cooperative Corporation and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); **Grayson Rural Electric Cooperative Corporation**, with its principal place of business at 109 Bagby Park Street, Grayson, KY 41143 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver

or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Grayson Rural Electric Cooperative Corporation, with its principal place of business at 109 Bagby Park Street, Grayson, KY 41143 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Grayson Rural Electric Cooperative Corporation, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Grayson Rural Electric Cooperative Corporation, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources ~~deemed to be Green-e certified~~. D

b. A~~n~~ REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B – ~~Option B is available on or before March 25, 2025.~~ A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Grayson Rural Electric Cooperative Corporation and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Grayson Rural Electric Cooperative Corporation and EKPC, ~~commercial and industrial (~~"C&I~~")~~ retail members have the opportunity to purchase RECs through Grayson Rural Electric Cooperative Corporation and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Grayson Rural Electric Cooperative Corporation and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Grayson Rural Electric Cooperative Corporation and EKPC will determine the type of renewable resource and ~~amount~~ *number* of RECs Grayson Rural Electric Cooperative Corporation and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to~~ Grayson Rural Electric Cooperative Corporation ~~per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

DATE OF ISSUE: ~~May 31, 2024~~ *June 30, 2026*

DATE EFFECTIVE: Service rendered on and after ~~July 1, 2024~~ *July 30, 2026*

ISSUED BY: _____
Bradley Cherry,
President and Chief Executive Officer

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Grayson Rural Electric Cooperative Corporation and EKPC. They will have the option to instruct Grayson Rural Electric Cooperative Corporation and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Grayson Rural Electric Cooperative Corporation and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Grayson Rural Electric Cooperative Corporation will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Grayson Rural Electric Cooperative Corporation and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); **Grayson Rural Electric Cooperative Corporation**, with its principal place of business at 109 Bagby Park Street, Grayson, KY 41143 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver

or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer

to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Grayson Rural Electric Cooperative Corporation, with its principal place of business at 109 Bagby Park Street, Grayson, KY 41143 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Grayson Rural Electric Cooperative Corporation**, a Kentucky corporation with its principal offices at 109 Bagby Park Street, Grayson, KY 41143 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

Fleming-Mason Energy

A Touchstone Energy Cooperative

June 29, 2026

Ms. Linda Bridwell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Dear Ms. Bridwell:

Please find enclosed for filing Fleming-Mason Energy Cooperative, Inc.'s Renewable Energy Program tariff. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It is necessary for Fleming-Mason to make this change as well so the tariffs are consistent.

Please contact the office if further information is required.

Sincerely,

Lauren C. Fritz
Chief Financial Officer

Enclosures

RENEWABLE ENERGY PROGRAM – SCHEDULE REP (T)

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are three (3) options. Fleming-Mason Energy ("FME"), via its participation in East Kentucky Power Cooperative's (EKPC) Wholesale Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy (Envirowatts), purchase renewable energy, or purchase RECs. Alternatively, the retail member, FME, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. (T)

Applicability (T)

In all territory served.

Definitions

a) Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b) A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy. (T)

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments. (e.g. $2.75, $5.50, $8.25, or more per month.) The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B – A commercial and industrial ("C&I") retail member may, after entering into a special agreement with FME and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the member's applicable rate schedule. (D/T)

DATE OF ISSUE: June 30, 2026

DATE EFFECTIVE: July 30, 2026

ISSUED BY: _____
President and Chief Executive Officer

RENEWABLE ENERGY PROGRAM – SCHEDULE REP

Option C – After entering into an agreement with Fleming-Mason Energy and EKPC, C&I retail members have the opportunity to purchase RECs through FME and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. (T)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Fleming-Mason Energy and EKPC to purchase, supply, or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with FME and EKPC, will determine the type of renewable resource and number of RECs FME and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. (T) ↓

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill, Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions. (T) ↓

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM Locational Marginal Cost ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program. (D/T)

DATE OF ISSUE: June 30, 2026

DATE EFFECTIVE: July 30, 2026

ISSUED BY: _____
President and Chief Executive Officer

RENEWABLE ENERGY PROGRAM – SCHEDULE REP

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Fleming-Mason Energy or EKPC. They will have the option to instruct Fleming-Mason Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Fleming-Mason Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation. (T)

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy." Existing Renewable Resource Energy retail participants will be billed at the existing rate of $2.75 per their existing agreement or pledge. (T)

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Fleming-Mason Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (i.e. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Fleming-Mason Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Fleming-Mason Energy Cooperative, Inc., with its principal place of business at 1449 Elizaville Road, Flemingsburg, Kentucky, 41041 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to PJM Locational Marginal Price ("LMP"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM LMP. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
    (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
    (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;
    (d) such Party becomes bankrupt; or
    (e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting

Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING**

OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS**

BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

FLEMING-MASON ENERGY

_____
FLEMING-MASON ENERGY
NAME AND TITLE (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER
COOPERATIVE, INC.
NAME AND TITLE (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL & INDUSTRIAL
RENEWABLE ENERGY
PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Fleming-Mason Energy Cooperative, Inc., with its principal place of business at 1449 Elizaville Road, Flemingsburg, Kentucky, 41041 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECs") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits.** The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

a. **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

b. **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs (i.e. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of the annual short term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM Locational Marginal Price ("LMP"), At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM LMP. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
    (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
    (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;
    (d) such Party becomes bankrupt; or
    (e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party

disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty**. [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

a. **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

b. **Obligation to Provide Performance Assurance.**

i. **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

1. the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

2. half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

3. zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

4. If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

ii. **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

1. the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

2. half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

3. zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

4. If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

iii. **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

c. **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

d. **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

i. Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an

outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

ii. The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

iii. With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

e. **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

i. all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

ii. the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

iii. the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

f. **Encumbrance: Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such

action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

g. **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

h. **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to _____, 20____ (and by December 31st of each subsequent year the Agreement is in effect):

   i. Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

   ii. Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

i. **Early Termination Payment Calculation.**

   i. **By Customer.** The Early Customer Termination Payment shall be the sum of:

      1. **Wholesale Renewable Energy Program.** In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

      2. **REC Program.** In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

   ii. **By EKPC.** The Early Supplier Termination Payment shall be the sum of:

      1. **Wholesale Renewable Energy Program.** In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the

forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

2. **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties**. Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

FLEMING-MASON ENERGY

_____
FLEMING-MASON ENERGY
NAME AND TITLE (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER
COOPERATIVE, INC.
NAME AND TITLE (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's month energy consumption **;

_____ Dollars per month; or

_____ MegaWatt Hours per month **

Types of Renewable Energy Credits to be purchased (check all that apply)

_____ Solar	_____ % of RECs
_____ Wind	_____ % of RECs
_____ Hydro	_____ % of RECs
_____ Landfill Methane Gas	_____ % of RECs
_____ Biomass	_____ % of RECs
_____ Least-Cost Resource	_____ % of RECs

(_____) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Pricing requiring additional approval $_____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of _____, 20____, by and between: East Kentucky Power Cooperative, Inc., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), Fleming-Mason Energy Cooperative Inc., a Kentucky corporation with its principal offices at 1449 Elizaville Road, Flemingsburg, KY 41041 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS _____ ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional.** This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

   a. Waives any requirements that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

   b. Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

   c. Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

   d. Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation.** The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous.**

a. This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

b. EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

c. This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

d. This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

e. If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

f. The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

g. This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

h. This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

i. In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

j. Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or Fleming County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

k. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

FLEMING-MASON ENERGY COOPERATIVE, INC.

By: _____

Title: _____

GUARANTOR

By: _____

Title: _____

RENEWABLE ENERGY PROGRAM – SCHEDULE ~~GP~~ *REP*

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates *("RECs")*. There are three (3) options. Fleming-Mason Energy *("FME")*, via its participation in East Kentucky Power Cooperative's ("EKPC") *Wholesale* Renewable Energy Program ~~("Envirowatts")~~, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase ~~Renewable Energy Certificates~~ *RECs*. Alternatively, the retail member, ~~Fleming-Mason Energy~~ *FME*, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption.

~~Applicable~~ *Applicability*

In all territory served.

Definitions

a) Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b) A ~~Renewable Energy Certificate ("~~REC~~")~~ is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments. (e.g. $2.75, $5.50, $8.25, or more per month.) The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by retail members are not refundable.

Option B – A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with ~~Fleming-Mason Energy~~ *FME* and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the member's applicable rate schedule.

DATE OF ISSUE: ~~May 12, 2026~~ *June 30, 2026*

DATE EFFECTIVE: ~~May 1, 2026~~ *July 30, 2026*

ISSUED BY: _____
President and Chief Executive Officer

RENEWABLE ENERGY PROGRAM – SCHEDULE ~~GP~~ *REP*

Option C – After entering into an agreement with Fleming-Mason Energy and EKPC, ~~commercial and industrial ("C&I")~~ retail members have the opportunity to purchase RECs through Fleming-Mason Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable.

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Fleming-Mason Energy and EKPC to purchase, supply, or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with ~~Fleming-Mason Energy~~ *FME* and EKPC, will determine the type of renewable resource and ~~amount~~ *number of* RECs ~~Fleming-Mason Energy~~ *FME* and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill, Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions.

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Fleming-Mason Energy per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.*

DATE OF ISSUE: ~~May 12, 2026~~ *June 30, 2026*

DATE EFFECTIVE: ~~May 1, 2026~~ *July 30, 2026*

ISSUED BY: _____
President and Chief Executive Officer

RENEWABLE ENERGY PROGRAM – SCHEDULE ~~GP~~ *REP*

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Fleming-Mason Energy or EKPC. They will have the option to instruct Fleming-Mason Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Fleming-Mason Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy." Existing ~~Envirowatts~~ *Renewable Resource Energy* retail participants will be billed at the existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Fleming-Mason Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (i.e. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Fleming-Mason Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

DATE OF ISSUE: ~~May 12, 2026~~ *June 30, 2026*

DATE EFFECTIVE: ~~May 1, 2026~~ *July 30, 2026*

ISSUED BY: _____
President and Chief Executive Officer

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Fleming-Mason Energy Cooperative, Inc., with its principal place of business at 1449 Elizaville Road, Flemingsburg, Kentucky, 41041 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the delivered renewable energy monthly; or (2)~~ the PJM ~~Localized~~ Locational Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal ~~to the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the delivered renewable energy monthly; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
    (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
    (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;
    (d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

FLEMING-MASON ENERGY

_____
FLEMING-MASON ENERGY
NAME AND TITLE (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER
COOPERATIVE, INC.
NAME AND TITLE (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL & INDUSTRIAL
RENEWABLE ENERGY
PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Fleming-Mason Energy Cooperative, Inc., with its principal place of business at 1449 Elizaville Road, Flemingsburg, Kentucky, 41041 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECs") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits.** The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

   a. **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

   b. **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of the annual retail deposit accrual rate set by the Commission will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal ~~to the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
    (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
    (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;
    (d) such Party becomes bankrupt; or
    (e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty**. [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

a. **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

b. **Obligation to Provide Performance Assurance.**

i. **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

1. the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

2. half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

3. zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

4. If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

ii. **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

1. the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

2. half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

3. zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

4. If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

iii. **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

c. **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

d. **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

i. Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

ii. The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

iii. With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

e. **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

   i. all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

   ii. the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

   iii. the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

f. **Encumbrance: Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

g. **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

h. **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to _____, 20____ (and by December 31st of each subsequent year the Agreement is in effect):

i. Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

ii. Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

i. **Early Termination Payment Calculation.**

i. **By Customer.** The Early Customer Termination Payment shall be the sum of:

1. **Wholesale Renewable Energy Program.** In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

2. **REC Program.** In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

ii. **By EKPC.** The Early Supplier Termination Payment shall be the sum of:

1. **Wholesale Renewable Energy Program.** In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

2. **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties**. Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

FLEMING-MASON ENERGY

_____
FLEMING-MASON ENERGY
NAME AND TITLE (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER
COOPERATIVE, INC.
NAME AND TITLE (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's month energy consumption **;

_____ Dollars per month; or

_____ MegaWatt Hours per month **

Types of Renewable Energy Credits to be purchased (check all that apply)

_____ Solar	_____ % of RECs
_____ Wind	_____ % of RECs
_____ Hydro	_____ % of RECs
_____ Landfill Methane Gas	_____ % of RECs
_____ Biomass	_____ % of RECs
_____ Least-Cost Resource	_____ % of RECs

(_____) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Pricing requiring additional approval $_____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of _____, 20____, by and between: East Kentucky Power Cooperative, Inc., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), Fleming-Mason Energy Cooperative Inc., a Kentucky corporation with its principal offices at 1449 Elizaville Road, Flemingsburg, KY 41041 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS _____ ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional.** This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

   a. Waives any requirements that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

   b. Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

   c. Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

   d. Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation.** The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous.**

a. This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

b. EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

c. This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

d. This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

e. If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

f. The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

g. This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

h. This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

i. In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

j. Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or Fleming County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

k. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

FLEMING-MASON ENERGY COOPERATIVE, INC.

By: _____

Title: _____

GUARANTOR

By: _____

Title: _____

Shelby Energy Cooperative
A Touchstone Energy® Cooperative

June 29, 2026

Ms. Linda C. Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Renewable Energy Program – Rate 24

Dear Ms. Bridwell,

Enclosed please find for filing an updated version of Shelby Energy Cooperative's Rate 24 – Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It is necessary for Shelby Energy Cooperative to make this change as well so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Michael Moriarty

Michael Moriarty
Chief Financial Officer
Enclosures

RENEWABLE ENERGY PROGRAM – RATE 24

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("REC"). There are three (3) options. Shelby Energy Cooperative, via its participation in East Kentucky Power Cooperative's (EKPC) Wholesale Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy (Envirowatts), purchase renewable energy, or purchase Renewable Energy Certificates. Alternatively, the retail member, Shelby Energy Cooperative, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. **(T)**

APPLICABLE

In all territory served.

DEFINITIONS

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.
b) A REC is the tradeable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

AVAILABILITY OF SERVICE

This rider is available to any retail members on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by the retail members are not refundable.

RENEWABLE ENERGY PROGRAM – RATE 24 (continued)

Option B – A commercial and industrial ("C&I") retail member may, after entering into a special agreement with Shelby Energy Cooperative and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule.

Option C – After entering into an agreement with Shelby Energy Cooperative, Inc. and EKPC, C&I retail members have the opportunity to purchase RECs through Shelby Energy Cooperative and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. **(T)**

ELIGIBILITY

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Shelby Energy Cooperative and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Shelby Energy Cooperative, Inc. and EKPC, will determine the type of renewable resource and number of RECs the Shelby Energy Cooperative, Inc. and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

RENEWABLE ENERGY PROGRAM – RATE 24 (continued)

RATE

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions. **(T)**

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM Locational Marginal Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation. **(D)** **(T)**

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Shelby Energy Cooperative, Inc. or EKPC. They will have the option to instruct Shelby Energy Cooperative and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for the Shelby Energy Cooperative and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation. **(T)**

RENEWABLE ENERGY PROGRAM – RATE 24 (continued)

BILLING AND MINIMUM CHARGE

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Shelby Energy Cooperative, Inc. will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Shelby Energy Cooperative and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's short-term borrowing rate will be added to the participant's electric bill.

TERMS OF SERVICE AND PAYMENT

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Shelby Energy Cooperative, Inc., with its principal place of business at 620 Old Finchville Road, Shelbyville, KY 40065 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

Shelby Energy Cooperative, Inc.

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Shelby Energy Cooperative, Inc., with its principal place of business at 620 Old Finchville Road, Shelbyville, KY 40065 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

Shelby Energy Cooperative, Inc.

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Shelby Energy Cooperative, Inc.**, a Kentucky corporation with its principal offices at 620 Old Finchville Road, Shelbyville, KY 40065 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

Shelby Energy Cooperative, Inc.

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

RENEWABLE ENERGY PROGRAM – RATE 24

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("REC"). There are three (3) options. Shelby Energy Cooperative, via its participation in East Kentucky Power Cooperative's (EKPC) Wholesale Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy (Envirowatts), purchase renewable energy, or purchase Renewable Energy Certificates. Alternatively, the retail member, Shelby Energy Cooperative, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption.

APPLICABLE

In all territory served.

DEFINITIONS

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b) A REC is the tradeable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

AVAILABILITY OF SERVICE

This rider is available to any retail members on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by the retail members are not refundable.

RENEWABLE ENERGY PROGRAM – RATE 24 (continued)

Option B – A commercial and industrial ("C&I") retail member may, after entering into a special agreement with Shelby Energy Cooperative and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule.

Option C – After entering into an agreement with Shelby Energy Cooperative, Inc. and EKPC, ~~commercial and industrial ("C&I")~~ retail members have the opportunity to purchase RECs through Shelby Energy Cooperative and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable.

ELIGIBILITY

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Shelby Energy Cooperative and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Shelby Energy Cooperative, Inc. and EKPC, will determine the type of renewable resource and number of RECs the Shelby Energy Cooperative, Inc. and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. (T) (T)

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

RENEWABLE ENERGY PROGRAM – RATE 24 (continued)

RATE

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions.

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Shelby Energy Cooperative per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount of~~ the PJM ~~Localized~~ Locational Marginal ~~Cost~~ Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Shelby Energy Cooperative, Inc. or EKPC. They will have the option to instruct Shelby Energy Cooperative and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for the Shelby Energy Cooperative and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.

RENEWABLE ENERGY PROGRAM – RATE 24 (continued)

BILLING AND MINIMUM CHARGE

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Shelby Energy Cooperative, Inc. will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Shelby Energy Cooperative and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's short-term borrowing rate will be added to the participant's electric bill. N

TERMS OF SERVICE AND PAYMENT

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Shelby Energy Cooperative, Inc., with its principal place of business at 620 Old Finchville Road, Shelbyville, KY 40065 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

Shelby Energy Cooperative, Inc.

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Shelby Energy Cooperative, Inc., with its principal place of business at 620 Old Finchville Road, Shelbyville, KY 40065 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

Shelby Energy Cooperative, Inc.

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Shelby Energy Cooperative, Inc.**, a Kentucky corporation with its principal offices at 620 Old Finchville Road, Shelbyville, KY 40065 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

Shelby Energy Cooperative, Inc.

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

SALT RIVER ELECTRIC
A Touchstone Energy Cooperative
111 West Brashear Avenue • Bardstown, Kentucky 40004
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Schedule REP Renewable Energy Program

Dear Ms. Bridwell,

Enclosed please find for filing and updated version of Salt River Electric's Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It necessary for Salt River Electric to make this change as well so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Tim Sharp
President & CEO

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. **SALT RIVER ELECTRIC**, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, **SALT RIVER ELECTRIC**, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. **T**

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. **D**

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B –A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with **SALT RIVER ELECTRIC** and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. **D/T**

Option C – After entering into an agreement with **SALT RIVER ELECTRIC** and EKPC, C&I retail members have the opportunity to purchase RECs through **SALT RIVER ELECTRIC** and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. **T**

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with **SALT RIVER ELECTRIC** and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with **SALT RIVER ELECTRIC** and EKPC will determine the type of renewable resource and *number* of RECs **SALT RIVER ELECTRIC** and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM *Locational* Marginal *Price ("LMP")*. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from **SALT RIVER ELECTRIC** and EKPC. They will have the option to instruct **SALT RIVER ELECTRIC** and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for **SALT RIVER ELECTRIC** and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, **SALT RIVER ELECTRIC** will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing **SALT RIVER ELECTRIC** and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); SALT RIVER ELECTRIC, with its principal place of business at 111 W. Brashear Ave., Bardstown, KY 40004 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE-BY-CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____

CUSTOMER NAME (please print)

_____

CUSTOMER SIGNATURE

SALT RIVER ELECTRIC

_____

<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____

SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____

<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____

SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); SALT RIVER ELECTRIC, with its principal place of business at 111 W. Brashear Ave., Bardstown, KY 40004 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

SALT RIVER ELECTRIC

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

[COOP]

By: _____

Title:_____

[GUARANTOR]

By: _____

Title:_____

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. **SALT RIVER ELECTRIC**, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, **SALT RIVER ELECTRIC**, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. **T**

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources ~~deemed to be Green-e certified~~. **D**

b. A~~n~~ REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B – ~~Option B is available on or before March 25, 2025.~~ A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with **SALT RIVER ELECTRIC** and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. **D/T**

Option C – After entering into an agreement with **SALT RIVER ELECTRIC** and EKPC, ~~commercial and industrial (~~"C&I~~")~~ retail members have the opportunity to purchase RECs through **SALT RIVER ELECTRIC** and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. **T**

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with **SALT RIVER ELECTRIC** and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with **SALT RIVER ELECTRIC** and EKPC will determine the type of renewable resource and ~~amount~~ *number* of RECs **SALT RIVER ELECTRIC** and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to SALT RIVER ELECTRIC per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from **SALT RIVER ELECTRIC** and EKPC. They will have the option to instruct **SALT RIVER ELECTRIC** and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals **SALT RIVER ELECTRIC** and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, **SALT RIVER ELECTRIC** will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing **SALT RIVER ELECTRIC** and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); SALT RIVER ELECTRIC, with its principal place of business at 111. W. Brashear Ave., Bardstown, KY 40004 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

SALT RIVER ELECTRIC

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); SALT RIVER ELECTRIC, with its principal place of business at 111 W. BRASHEAR AVE., BARDSTOWN, KY 40004 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) **By Customer.** The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

SALT RIVER ELECTRIC

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

[COOP]

By: _____

Title:_____

[GUARANTOR]

By: _____

Title:_____

INTER COUNTY
ENERGY COOPERATIVE

A Touchstone Energy Cooperative

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Schedule REP Renewable Energy Program

Dear Ms. Bridwell,

Enclosed please find for filing and updated version of Inter-County Energy's Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It is necessary for Inter-County Energy to make this change as well so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Jerry W. Carter
President/CEO

CLASSIFICATION OF SERVICE

RENEWABLE ENERGY PROGRAM

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates. There are three (3) options. Inter-County Energy Cooperative, via its participation in East Kentucky Power Cooperative Inc.'s (EKPC) Wholesale Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy, Envirowatts purchase renewable energy, or purchase Renewable Energy Certificates. Alternatively, the retail member, Inter-County Energy, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicable

In all territory served.

Definitions

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. D
b) A Renewable Energy Certificate ("REC") is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the

CLASSIFICATION OF SERVICE

Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by retail members are not refundable.

Option B – A commercial and industrial ("C&I") retail member may, after entering into a special agreement with Inter-County Energy and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the member's applicable rate schedule. T

Option C – After entering into an agreement with Inter-County Energy and EKPC, C&I retail members have the opportunity to purchase RECs through Inter-County Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Inter-County Energy and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Inter-County Energy and EKPC, will determine the type of renewable resource and number of RECs that Inter-County Energy and EKPC will purchase monthly behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

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Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM Locational Marginal Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation. D T

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Inter-County Energy or EKPC. They will have the option to instruct Inter-County Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Inter-County Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation. T

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

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Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Inter-County Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie.Greene® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Inter-County Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Inter-County Energy Cooperative, with its principal place of business at 1009 Hustonville Road, Danville, Kentucky 40422 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM Locational Marginal Price ("LMP"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM LMP. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;
i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and
j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER> **<CO-OP>**

_____	_____
CUSTOMER NAME (please print)	<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)
_____	_____
CUSTOMER SIGNATURE	SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM Locational Marginal Price ("LMP"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM LMP. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

[COOP]

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

RENEWABLE ENERGY PROGRAM

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates. There are three (3) options. Inter-County Energy Cooperative, via its participation in East Kentucky Power Cooperative Inc.'s (EKPC) *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy, *Envirowatts* purchase renewable energy, or purchase Renewable Energy Certificates. Alternatively, the retail member, Inter-County Energy, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicable

In all territory served.

Definitions

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable ~~certified~~ resources. D
b) A Renewable Energy Certificate ("REC") is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the

Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by retail members are not refundable.

Option B – A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Inter-County Energy and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the member's applicable rate schedule. T

Option C – After entering into an agreement with Inter-County Energy and EKPC, ~~commercial and industrial (~~"C&I"~~)~~ retail members have the opportunity to purchase RECs through Inter-County Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Inter-County Energy and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Inter-County Energy and EKPC, will determine the type of renewable resource and number of RECs that Inter-County Energy and EKPC will purchase monthly behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

CLASSIFICATION OF SERVICE

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs*. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Inter-County Energy per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Inter-County Energy or EKPC. They will have the option to instruct Inter-County Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Inter-County Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

CLASSIFICATION OF SERVICE

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Inter-County Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie.Greene® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Inter-County Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); <CO-OP NAME>, with its principal place of business at <CO-OP ADDRESS> ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) **By Customer.** The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

[COOP]

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

Cumberland Valley Electric
A Touchstone Energy Cooperative

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Renewable Energy Program Tariff

Dear Ms. Bridwell,

Enclosed please find for filing and updated version of Cumberland Valley Electric's Renewable Energy Program Tariff. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit. It will be based upon the LMP. It is necessary for Cumberland Valley Electric to make this change as well so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Robert Tolliver

Robert Tolliver
Office Manager

MAIN OFFICE:
P.O. Box 440 ° Gray, KY 40734
Phone: 606-528-2677 ° Fax: 606-523-2698

DISTRICT OFFICE:
P.O. Box C ° Cumberland, KY 40823
Phone: 606-589-4421 ° Fax: 606-589-5297

Renewable Energy Program

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are three (3) options. Cumberland Valley Electric, via its participation in East Kentucky Power Cooperative, Inc.'s ("EKPC") Wholesale Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy (Envirowatts), purchase renewable energy, or purchase RECs. Alternatively, the retail member, Cumberland Valley Electric, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T T

APPLICABLE

In all territory served.

DEFINITIONS

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b) An REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy. T

AVAILABILITY OF SERVICE

This rider is available to any member on any rate schedule.

Option A – Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate their "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas).

Option B – A commercial and industrial ("C&I") retail member may, after entering into a special agreement with Cumberland Valley Electric and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. T

DATE OF ISSUE June 30, 2026
Month / Date / Year
DATE EFFECTIVE July 30, 2026
Month / Date / Year

ISSUED BY /s/ Ted Hampton
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO._____ DATED: _____

Renewable Energy Program (continued)

Option C – After entering into an agreement with Cumberland Valley Electric and EKPC, C&I retail members have the opportunity to purchase RECs through Cumberland Valley Electric and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

ELIGIBILITY

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program. Funds contributed by retail members are not refundable.

Under Option B, a retail member must execute an agreement with Cumberland Valley Electric and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Cumberland Valley Electric and EKPC, will determine the type of renewable resource and number of RECs Cumberland Valley Electric and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides sixty (60) days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T T

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

RATE

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions. T

DATE OF ISSUE June 30, 2026
Month / Date / Year
DATE EFFECTIVE July 30, 2026
Month / Date / Year

ISSUED BY /s/ Ted Hampton
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO._____ DATED: _____

Renewable Energy Program (continued)

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited the PJM Locational Marginal Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation. D/T

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Cumberland Valley or EKPC. They will have the option to instruct Cumberland Valley Electric and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for the Cumberland Valley Electric and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation. T T

BILLING AND MINIMUM CHARGE

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Cumberland Valley Electric will increase the participating retail member's electric bill for the RECs purchased at the market price plus a transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (i.e. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Cumberland Valley and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of the annual deposit rate set by the Commission will be added to the participant's electric bill.

TERMS OF SERVICE AND PAYMENT

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Cumberland Valley Electric, Inc., with its principal place of business at 6219 US HWY 25E, Gray, Kentucky 40734 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;
i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and
j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

CUMBERLAND VALLEY ELECTRIC, INC.

_____
<TITLE>, CUMBERLAND VALLERY ELECTRIC, INC. (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Cumberland Valley Electric, Inc., with its principal place of business at 6219 US HWY 25E, Gray, Kentucky 40734 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

CUMBERLAND VALLEY ELECTRIC, INC.

_____
<TITLE>, CUMBERLAND VALLEY ELECTRIC, INC. (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Cumberland Valley Electric, Inc.**, a Kentucky corporation with its principal offices at 6219 US HWY, Gray, Kentucky 40734 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

CUMBERLAND VALLEY ELECTRIC, INC.

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

Renewable Energy Program

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are three (3) options. Cumberland Valley Electric, via its participation in East Kentucky Power Cooperative, Inc.'s ("EKPC") Wholesale Renewable Energy Program ~~("Envirowatts")~~, will aggregate the contributions provided by the retail members to develop renewable energy (Envirowatts), purchase renewable energy, or purchase RECs. Alternatively, the retail member, Cumberland Valley Electric, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T T

APPLICABLE

In all territory served.

DEFINITIONS

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b) An REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy. T

AVAILABILITY OF SERVICE

This rider is available to any member on any rate schedule.

Option A – ~~–~~ Retail ~~-~~members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate their "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas).

Option B – ~~Option B is a pilot program and is available on or before March 25, 2025.~~ A ~~-~~commercial and industrial ("C&I") retail member may, after entering into a special agreement with Cumberland Valley Electric and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. T

DATE OF ISSUE ~~October 28, 2021~~June 30, 2026
Month / Date / Year

DATE EFFECTIVE ~~November 27, 2021~~July 30, 2026
Month / Date / Year

ISSUED BY /s/ Ted Hampton
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO._____ DATED: _____

Renewable Energy Program (continued)

Option C – After entering into an agreement with Cumberland Valley Electric and EKPC, ~~commercial and industrial (“~~C&I~~”)~~ retail members have the opportunity to purchase RECs through Cumberland Valley Electric and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

ELIGIBILITY

Under Option A, a “Pledge to Purchase Renewable Energy” must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program. Funds contributed by retail members are not refundable.

Under Option B, a retail member must execute an agreement with Cumberland Valley Electric and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member’s average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Cumberland Valley Electric and EKPC, will determine the type of renewable resource and ~~amount~~ number of RECs Cumberland Valley Electric and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides sixty (60) days’ notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T T

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member’s annual usage.

RATE

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the “Pledge to Purchase Renewable Energy” for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program T

contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions.

DATE OF ISSUE ~~October 28, 2021~~June 30, 2026
Month / Date / Year

DATE EFFECTIVE ~~November 27, 2021~~July 30, 2026
Month / Date / Year

ISSUED BY /s/ Ted Hampton
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO._____ DATED: _____

Renewable Energy Program (continued)

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited ~~for the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Cumberland Valley Electric per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ Locational Marginal ~~Cost~~Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation. D/T

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Cumberland Valley or EKPC. They will have the option to instruct Cumberland Valley Electric and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for the Cumberland Valley Electric and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation. T T

BILLING AND MINIMUM CHARGE

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Cumberland Valley Electric will increase the participating retail member's electric bill for the RECs purchased at the market price plus a transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (i.e. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Cumberland Valley and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of the annual deposit rate set by the Commission will be added to the participant's electric bill.

TERMS OF SERVICE AND PAYMENT

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each member.

DATE OF ISSUE ~~May 31st, 2024~~June 30, 2026
Month / Date / Year

DATE EFFECTIVE ~~July 1st, 2024~~July 30, 2026
Month / Date / Year

ISSUED BY /s/ Ted Hampton
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO._____ DATED: _____

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Cumberland Valley Electric, Inc., with its principal place of business at 6219 US HWY 25E, Gray, Kentucky 40734 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

CUMBERLAND VALLEY ELECTRIC, INC.

_____
<TITLE>, CUMBERLAND VALLEY ELECTRIC, INC. (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Cumberland Valley Electric, Inc., with its principal place of business at 6219 US HWY 25E, Gray, Kentucky 40734 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

CUMBERLAND VALLEY ELECTRIC, INC.

_____
<TITLE>, CUMBERLAND VALLEY ELECTRIC, INC. (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Cumberland Valley Electric, Inc.**, a Kentucky corporation with its principal offices at 6219 US HWY 25E, Gray, Kentucky 40734 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

CUMBERLAND VALLEY ELECTRIC, INC.

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

OWEN Electric

A Touchstone Energy® Cooperative

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Schedule REP Renewable Energy Program

Dear Ms. Bridwell,

Enclosed please find for filing and updated version of Owen Electric Cooperative, Inc.'s ("Owen Electric") Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It necessary for Owen Electric to make this change as well so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Michael Cobb

Michael L. Cobb
President & CEO

Owen Electric Cooperative, Inc.
(Name of Utility)

CLASSIFICATION OF SERVICE

Schedule REP
Renewable Energy Program

(T)

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are three (3) options. Owen Electric Cooperative, Inc. ("Owen Electric"), via its participation in East Kentucky Power Cooperative, Inc.'s ("EKPC") Wholesale Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy (Envirowatts), purchase renewable energy, or purchase RECs. Alternatively, the retail member, Owen Electric, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. (T)

APPLICABLE

In all territory served.

DEFINITIONS

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b) A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy. (T)

AVAILABILITY OF SERVICE

This rider is available to any retail member on any rate schedule.

Option A – Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by the retail members are not refundable.

Option B –A commercial and industrial ("C&I") retail member may, after entering into a special agreement with Owen Electric and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. (T)

DATE OF ISSUE **June 30, 2026**
Month / Date / Year

DATE EFFECTIVE **Service rendered on or after July 30, 2026**
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE **President/CEO**

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

CLASSIFICATION OF SERVICE

Schedule REP
Renewable Energy Program (Continued) (T)

Option C – After entering into an agreement with Owen Electric and EKPC, C&I retail members have the opportunity to purchase RECs through Owen Electric and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. (T)

ELIGIBILITY

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Owen Electric and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement. (T)

Under Option C, C&I retail members, in conjunction with Owen Electric and EKPC, will determine the type of renewable resource and number of RECs Owen Electric and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

RATE

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions. (T)

DATE OF ISSUE **June 30, 2026**
Month / Date / Year

DATE EFFECTIVE **Service rendered on or after July 30, 2026**
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE **President/CEO**

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

Owen Electric Cooperative, Inc.
(Name of Utility)

CLASSIFICATION OF SERVICE

Schedule REP
Renewable Energy Program (Continued) (T)

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. (D)
The retail member's bill will be credited for the PJM Locational Marginal Price ("LMP"). The fuel adjustment clause and the (T)
environmental surcharge are not applicable to the Option B Renewable Energy Program Participation.

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Owen Electric or EKPC. They will have the option to instruct Owen Electric and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Owen Electric and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program Participation. (T)

BILLING AND MINIMUM CHARGE

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Owen Electric will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Owen Electric and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

TERMS OF SERVICE AND PAYMENT

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Owen Electric Cooperative, Inc., with its principal place of business at 8205 Hwy 127N, Owenton, KY 40359 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM Locational Marginal Price ("LMP"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D) (T)

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM LMP. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D) (T)

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved

by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that

owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision

herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon

numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing

address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN**

INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

OWEN ELECTRIC COOPERATIVE, INC.

_____
OWEN ELECTRIC COOPERATIVE, INC.
REPRESENTATIVE NAME AND TITLE (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Owen Electric Cooperative, Inc., with its principal place of business at 8205 Hwy 127N, Owenton, KY 40359 ("Cooperative"); and the following identified commercial or industrial end-use retail ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire RECs from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt

(MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall not exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all

energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**
   a. **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

   b. **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM Locational Marginal Price ("LMP") . At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D) (T)

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM LMP. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D) (T)

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and/or Cooperative, when suck purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and/or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE, OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the

Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through

the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1)

the Customer's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Credit shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Credit that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the

Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of all covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance

obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum

of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not

rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO**

UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

OWEN ELECTRIC COOPERATIVE, INC.

_____
OWEN ELECTRIC COOPERATIVE, INC.
REPRESENTATIVE NAME AND TITLE
(please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ Megawatt Hours per month**

Types of Renewable Energy to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of _____ _____, 20__, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Owen Electric Cooperative, Inc.** a Kentucky corporation with its principal offices at 8205 Hwy 127N, Owenton, KY 40359 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all

of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by

EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty

Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

OWEN ELECTRIC COOERATIVE, INC.

By: _____

Title: _____

GUARANTOR

By: _____

Title: _____

FOR **Entire Territory Served**
Community, Town or City
P.S.C. KY. NO. **6**
~~56~~**th Revised** SHEET NO. **10A**
CANCELLING P.S.C. KY NO. **6**
~~4~~ **5th Revised** SHEET NO. **10A**

Owen Electric Cooperative, Inc.
(Name of Utility)

CLASSIFICATION OF SERVICE

Schedule ~~5~~ REP
Renewable Energy Program

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are three (3) options. Owen Electric Cooperative, Inc. ("Owen Electric"), via its participation in East Kentucky Power Cooperative, Inc.'s ("EKPC")Wholesale Renewable Energy Program ~~("Envirowatts")~~, will aggregate the contributions provided by the retail members to develop renewable energy (Envirowatts), purchase renewable energy, or purchase RECs. Alternatively, the retail member, Owen Electric, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption.

APPLICABLE

In all territory served.

DEFINITIONS

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b) A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

AVAILABILITY OF SERVICE

This rider is available to any retail member on any rate schedule.

Option A – Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by the retail members are not refundable.

Option B –A commercial and industrial ("C&I") retail member may, after entering into a special agreement with Owen Electric and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule.

DATE OF ISSUE **~~May 15, 2026~~ June 30, 2026**
Month / Date / Year

DATE EFFECTIVE **Service rendered on or after ~~May 1, 2026~~ July 30, 2026**
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE **President/CEO**

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. ~~2025-00217~~ DATED ~~April 28, 2026~~

FOR **Entire Territory Served**
Community, Town or City
P.S.C. KY. NO. **6**
~~5~~ **6th Revised** SHEET NO. **10B**
CANCELLING P.S.C. KY NO. **6**
~~4~~ **5th Revised** SHEET NO. **10B**

Owen Electric Cooperative, Inc.
(Name of Utility)

CLASSIFICATION OF SERVICE

Schedule ~~5~~ REP
Renewable Energy Program (Continued)

Option C – After entering into an agreement with Owen Electric and EKPC, ~~commercial and industrial ("~~C&I~~")~~ retail members have the opportunity to purchase RECs through Owen Electric and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable.

ELIGIBILITY

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Owen Electric and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Owen Electric and EKPC, will determine the type of renewable resource and number of RECs Owen Electric and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

RATE

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions.

DATE OF ISSUE ~~May 15, 2026~~ **June 30, 2026**
Month / Date / Year

DATE EFFECTIVE **Service rendered on or after** ~~May 1, 2026~~ July 30, 2026
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE **President/CEO**

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. ~~2025-00217~~ DATED ~~April 28, 2026~~

Owen Electric Cooperative, Inc.
(Name of Utility)

CLASSIFICATION OF SERVICE

Schedule ~~5~~ REP
Renewable Energy Program (Continued)

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Owen Electric per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from the base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ Locational Marginal ~~Cost~~ Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program Participation.

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Owen Electric or EKPC. They will have the option to instruct Owen Electric and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Owen Electric and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program Particiapation.

BILLING AND MINIMUM CHARGE

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy ~~Envirowatts~~ retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Owen Electric will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Owen Electric and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

TERMS OF SERVICE AND PAYMENT

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

DATE OF ISSUE **~~May 15, 2026~~ June 30, 2026**
Month / Date / Year

DATE EFFECTIVE **Service rendered on or after ~~May 1, 2026~~ July 30, 2026**
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE **President/CEO**

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. ~~2025-00217~~ DATED ~~April 28, 2026~~

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Owen Electric Cooperative, Inc., with its principal place of business at 8205 Hwy 127N, Owenton, KY 40359 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the delivered renewable energy monthly; or (2)~~ the PJM Locational ~~Localized~~ Marginal ~~Cost~~ Price ("LMP"). At no time shall EKPC be

required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the delivered renewable energy monthly; or (2)~~ the PJM LMP ~~Localized Marginal Cost~~. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the

Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through

the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly

designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO**

REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

OWEN ELECTRIC COOPERATIVE, INC.

_____
OWEN ELECTRIC COOPERATIVE, INC.
REPRESENTATIVE NAME AND TITLE (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Owen Electric Cooperative, Inc., with its principal place of business at 8205 Hwy 127N, Owenton, KY 40359 ("Cooperative"); and the following identified commercial or industrial end-use retail ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire RECs from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt

(MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall not exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all

energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**
   a. **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

   b. **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ Locational Marginal ~~Cost~~ Price ("LMP"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment~~

~~clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM- LMP~~Localized Marginal Cost~~. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and/or Cooperative, when suck purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and/or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE, OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
    (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
    (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;
    (d) such Party becomes bankrupt; or
    (e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective

and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance.**

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting,

canceling, and increasing the amount of a Letter of Credit shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Credit that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as

otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of all covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express

written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the sum paid

for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from

subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND**

WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or

modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

CUSTOMER NAME (please print)

CUSTOMER SIGNATURE

OWEN ELECTRIC COOPERATIVE, INC.

OWEN ELECTRIC COOPERATIVE, INC.
REPRESENTATIVE NAME AND TITLE
(please print)

SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ Megawatt Hours per month**

Types of Renewable Energy to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of _____ _____, 20__, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Owen Electric Cooperative, Inc.** a Kentucky corporation with its principal offices at 8205 Hwy 127N, Owenton, KY 40359 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all

of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by

EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty

Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

OWEN ELECTRIC COOERATIVE, INC.

By: _____

Title: _____

GUARANTOR

By: _____

Title: _____

P.O. BOX 100
CAMPBELLSVILLE, KENTUCKY 42719
(844) 970-2739 • Fax (270) 789-3625
tcrecc.com
A Touchstone Energy® Cooperative

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Schedule REP Renewable Energy Program

Dear Ms. Bridwell,

Enclosed please find enclosed for filing Taylor County Rural Electric Cooperative Corporation's ("Taylor County RECC") Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It is necessary for Taylor County RECC to file so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Patsy R. Walters

Patsy R. Walters
VP of Finance & Customer Service

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Taylor County RECC, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Taylor County RECC, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption.

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources.

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B –A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Taylor County RECC and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule.

Option C – After entering into an agreement with Taylor County RECC and EKPC, C&I retail members have the opportunity to purchase RECs through Taylor County RECC and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable.

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Taylor County RECC and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Taylor County RECC and EKPC will determine the type of renewable resource and *number* of RECs Taylor County RECC and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution.

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM *Locational* Marginal *Price ("LMP")*. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.*

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Taylor County RECC and EKPC. They will have the option to instruct Taylor County RECC and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Taylor County RECC and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Taylor County RECC will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Taylor County RECC and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Taylor County RECC, with its principal place of business at 625 West Main Street, Campbellsville, KY 42718 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;
i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and
j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

TAYLOR COUNTY RECC

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Taylor County RECC, with its principal place of business at 625 West Main Street, Campbellsville, KY 42718 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Credit shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

TAYLOR COUNTY RECC

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 20__, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Taylor County RECC**, a Kentucky corporation with its principal offices at 625 West Main Street, Campbellsville, KY 42718 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or Taylor County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an

inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

TAYLOR COUNTY RECC

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

Farmers Rural Electric Cooperative Corporation
P.O. Box 1298, Glasgow, KY 42142-1298 • (270) 651-2191 • Fax (270) 651-7332

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Schedule REP Renewable Energy Program

Dear Ms. Bridwell,

Enclosed please find for filing and updated version of Farmers Rural Electric Cooperative Corporation's Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It is necessary for Farmers RECC to make this change as well so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Jennie G Phelps

Jennie Gibson Phelps
Vice President of Finance & Accounting

Farmers RECC is an equal opportunity provider and employer.

www.farmersrecc.com

A Touchstone Energy® Cooperative

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Renewable Energy Program

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two (2) options. Farmers Rural Electric Cooperative Corporation ("FRECC"), via its participation in East Kentucky Power Cooperative, Inc's. ("EKPC") Renewable Energy Program ("Envirowatts"), will aggregate the contributions provided by the retail members to develop renewable energy, purchase renewable energy, or purchase RECs. Alternatively, the retail member, FRECC, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

APPLICABLE

In all territory served.

DEFINITIONS

a) Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.

b) A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

AVAILABILITY OF SERVICE

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate their "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas).

Option B – A *commercial and industrial ("C&I")* member may, after entering into a special agreement with FRECC and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

DATE OF ISSUE: 06-30-2026

DATE EFFECTIVE: 07-31-2026

ISSUED BY Toby Mon

TITLE: President & CEO

Issued by authority of an Order of the Public Service Commission of KY in Case No. _____ Dated: _____

Renewable Energy Program (continued)

AVAILABILITY OF SERVICE (continued)

Option C – After entering into an agreement with FRECC and EKPC, C&I retail members have the opportunity to purchase RECs through FRECC and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable.

ELIGIBILITY

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with FRECC and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with FRECC and EKPC will determine the type of renewable resource and *number* of RECs FRECC and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Renewable Energy Program (continued)

RATE

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM *Locational* Marginal *Price ("LMP").* *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from FRECC and EKPC. They will have the option to instruct FRECC and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for FRECC and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

DATE OF ISSUE: 06-30-2026

DATE EFFECTIVE: 07-31-2026

ISSUED BY _____

TITLE: President & CEO

Issued by authority of an Order of the Public Service Commission of KY
in Case No._____ Dated: _____

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Renewable Energy Program (continued)

BILLING AND MINIMUM CHARGE

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.
Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, FRECC will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing FRECC and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

TERMS OF SERVICE AND PAYMENT

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Farmers Rural Electric Cooperative Corporation, with its principal place of business at 504 South Broadway, Glasgow, Kentucky 42141 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver

or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____

CUSTOMER NAME (please print)

_____

CUSTOMER SIGNATURE

FARMERS RURAL ELECTRIC COOPERATIVE CORP

_____

<TITLE> FARMERS RURAL ELECTRIC COOPERATIVE CORP (please print)

_____

SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____

<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____

SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Farmers Rural Electric Cooperative Corporation, with its principal place of business at 504 South Broadway, Glasgow, Kentucky 42141 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program.** In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

FARMERS RURAL ELECTRIC COOPERATIVE CORP

_____
<TITLE> FARMERS RURAL ELECTIC COOPERATIVE CORP (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Farmers Rural Electric Cooperative Corporation**, a Kentucky corporation with its principal offices at 504 South Broadway, Glasgow, Kentucky 42141 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or Barren County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the

above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

FARMERS RURAL ELECTRIC CORP

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Farmers Rural Electric Cooperative Corporation ("FRECC"), via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, FRECC and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources ~~deemed to be Green-e certified~~.

b. A~~n~~ REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B – ~~Option B is available on or before March 25, 2025.~~ A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with FRECC and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with FRECC and EKPC, ~~commercial and industrial ("~~C&I~~")~~ retail members have the opportunity to purchase RECs through FRECC and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with FRECC and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with FRECC and EKPC will determine the type of renewable resource and ~~amount~~ *number* of RECs FRECC and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to FRECC per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from FRECC and EKPC. They will have the option to instruct FRECC and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for FRECC and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, FRECC will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing FRECC and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Farmers Rural Electric Cooperative Corporation, with its principal place of business at 504 South Broadway, Glasgow, Kentucky 42141 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver

or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer

to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

FARMERS RURAL ELECTRIC COOPERATIVE CORP

_____
<TITLE> FARMERS RURAL ELECTRIC COOPERATIVE CORP (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this <DATE> day of <MONTH>, <YEAR>, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Farmers Rural Electric Cooperative Corporation, with its principal place of business at 504 South Broadway, Glasgow, Kentucky 42141 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program.** In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

FARMERS RURAL ELECTRIC COOPERATIVE CORP.

_____
<TITLE> FARMERS RURAL ELECTRIC COOPERATIVE CORP (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Farmers Rural Electric Cooperative Corporation**, a Kentucky corporation with its principal offices at 504 South Broadway, Glasgow, Kentucky 42141 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or Barren County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the

above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

FARMERS RURAL ELECTRIC COOPERATIVE CORP

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

NOLIN

A Touchstone Energy® Cooperative

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Schedule REP Renewable Energy Program

Dear Ms. Bridwell,

Enclosed please find for filing and updated version of Nolin RECC's Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H"). EKPC has based its other tariffs with an avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). EKPC is now modifying its Rate H to reflect the avoided cost credit will be based upon the LMP. It is necessary for Nolin RECC to make this change as well so the tariffs are consistent.

Please contact me with additional questions.

Sincerely,

Gregory R. Lee

Gregory R. Lee
President & CEO

411 Ring Road • Elizabethtown, KY 42701-6767 • (270) 765-6153

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
5th Revision Sheet No. 51

CANCELLING PSC KY NO. 10
4th Revision Sheet No. 51

CLASSIFICATION OF SERVICE
RENEWABLE ENERGY PROGRAM

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Nolin RECC, via its participation in East Kentucky Power Cooperatives, Inc.'s ("EKPC") Wholesale Renewable Energy Program will aggregate the contributions provided by the retail members to develop renewable energy, Envirowatts purchase renewable energy, or purchase RECs. Alternatively, the retail member, Nolin RECC, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. (T) (D)(T)

APPLICABLE

Entire Service Area

DEFINITIONS

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. (D)

b) An REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy. (T)

AVAILABILITY OF SERVICE

This rider is available to any retail member on any rate schedule.

Option A – Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by retail members are not refundable.

DATE OF ISSUE June 30, 2026
DATE EFFECTIVE July 30, 2026

ISSUED BY Gregory R. Lee
President & CEO

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-8701

PSC KY NO. 10
5th Revision Sheet No. 52

CANCELLING PSC KY NO. 10
4th Revision Sheet No. 52

CLASSIFICATION OF SERVICE

RENEWABLE ENERGY PROGRAM – (Cont'd)

AVAILABILITY OF SERVICE

Option B – A commercial and industrial (C&I) retail member may, after entering into a special agreement with Nolin RECC and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. (D)(T)

Option C – After entering into an agreement with Nolin RECC and EKPC, "C&I" retail members have the opportunity to purchase RECs through Nolin RECC and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. (T)

ELIGIBILITY:

Under Option A, "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Nolin RECC and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction Nolin RECC and EKPC, will determine the type of renewable resource and number of RECs the Nolin RECC and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

DATE OF ISSUE June 30, 2026
DATE EFFECTIVE July 30, 2026

ISSUED BY Anthony R. Lee
President & CEO

Nolin RECC
411 Ring Road
Elizabethtown. KY 42701-8701

CLASSIFICATION OF SERVICE

RENEWABLE ENERGY PROGRAM – (Cont'd)

RATE:

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions. (N)

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM Locational Marginal Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation. (D)(T) (T)(N) (N)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Nolin RECC or EKPC. They will have the option to instruct Nolin RECC and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for the Nolin RECC and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation. (N) (N)

DATE OF ISSUE June 30, 2026
DATE EFFECTIVE July 30, 2026

ISSUED BY _____
Anthony R. Lee
President & CEO

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-8701

PSC KY NO. 10
2nd Revision Sheet No. 52.2

CANCELLING PSC KY NO. 10
1st Revision Sheet No. 52.2

CLASSIFICATION OF SERVICE

RENEWABLE ENERGY PROGRAM – (Cont'd)

BILLING AND MINIMUM CHARGE:
Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in the "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Nolin RECC will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Nolin RECC and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

TERMS OF SERVICE AND PAYMENT:
This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

DATE OF ISSUE June 30, 2026
DATE EFFECTIVE July 30, 2026

ISSUED BY _____
President & CEO

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this _____ day of_____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Nolin Rural Electric Cooperative Corporation, with its principal place of business at 411 Ring Road, Elizabethtown, KY 42701 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number:_____Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM Locational Marginal Price ("LMP"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D)(T)

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM LMP. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D)(T)

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of __ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

_____
<TITLE>, NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption =_____MWhs per year

Amount of Renewable Energy to be Purchased = _____MWhs per year

Equivalent MWs of Capacity to be Purchased = _____MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____Wind _____Hydro

_____ Landfill Methane Gas _____Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this _____ day of _____, _____, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Nolin RECC, with its principal place of business at 411 Ring Road, Elizabethtown, Kentucky 42701 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM Locational Marginal Price ("LMP"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D)(T)

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM LMP. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D)(T)

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, *and volumetric fees,* as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, *and volumetric fees,* as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

[COOP]

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
~~4th~~ *5th* Revision Sheet No. 51

CANCELLING PSC KY NO. 10
~~3rd~~ *4th* Revision Sheet No. 51

CLASSIFICATION OF SERVICE
RENEWABLE ENERGY PROGRAM

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Nolin RECC, via its participation in East Kentucky Power Cooperatives, Inc.'s ("EKPC") *Wholesale* Renewable Energy Program ~~("Envirowatts")~~, will aggregate the contributions provided by the retail members to develop renewable energy, *Envirowatts* purchase renewable energy, or purchase RECs. Alternatively, the retail member, Nolin RECC, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption.

APPLICABLE

Entire Service Area

DEFINITIONS

a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources ~~deemed to be Green-e certified~~.

b) A*n* REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

AVAILABILITY OF SERVICE

This rider is available to any retail member on any rate schedule.

Option A – Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas). Funds contributed by retail members are not refundable.

DATE OF ISSUE ~~May 15, 2026~~ *June 30, 2026*
DATE EFFECTIVE ~~May 1, 2026~~ *July 30, 2026*

ISSUED BY _____
President & CEO

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-8701

PSC KY NO. 10
~~4th~~ *5th* Revision Sheet No. 52

CANCELLING PSC KY NO. 10
~~3rd~~ *4th* Revision Sheet No. 52

CLASSIFICATION OF SERVICE

RENEWABLE ENERGY PROGRAM – (Cont'd)

AVAILABILITY OF SERVICE

Option B – ~~Option B is available on or before March 25, 2025.~~ A *commercial and industrial (C&I)* retail member may, after entering into a special agreement with Nolin RECC and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule.

Option C – After entering into an agreement with Nolin RECC and EKPC, ~~commercial and industrial (~~"C&I"~~)~~ retail members have the opportunity to purchase RECs through Nolin RECC and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable.

ELIGIBILITY:

Under Option A, "Pledge to Purchase Renewable Energy" must be signed by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Nolin RECC and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction Nolin RECC and EKPC, will determine the type of renewable resource and number of RECs the Nolin RECC and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the number of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

DATE OF ISSUE ~~May 15, 2026~~ *June 30, 2026*
DATE EFFECTIVE ~~May 1, 2026~~ *July 30, 2026*

ISSUED BY _____
President & CEO

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-8701

PSC KY NO. 10
~~2nd~~ *3rd* Revision Sheet No. 52.1

CANCELLING PSC KY NO. 10
~~1st~~ *2nd* Revision Sheet No. 52.1

CLASSIFICATION OF SERVICE

RENEWABLE ENERGY PROGRAM – (Cont'd)

RATE:
Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.*. The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions.

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Nolin RECC per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.*

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Nolin RECC or EKPC. They will have the option to instruct Nolin RECC and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for the Nolin RECC and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

DATE OF ISSUE ~~May 15, 2026~~ *June 30, 2026*
DATE EFFECTIVE ~~May 1, 2026~~ *July 30, 2026*

ISSUED BY _____
President & CEO

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-8701

PSC KY NO. 10
~~1st~~ *2nd* Revision Sheet No. 52.2

CANCELLING PSC KY NO. 10
~~Original~~ *1st Revision* Sheet No. 52.2

CLASSIFICATION OF SERVICE

RENEWABLE ENERGY PROGRAM – (Cont'd)

BILLING AND MINIMUM CHARGE:
Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in the "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Nolin RECC will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Nolin RECC and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

TERMS OF SERVICE AND PAYMENT:
This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

DATE OF ISSUE ~~May 15, 2026~~ *June 30, 2026*
DATE EFFECTIVE ~~May 1, 2026~~ *July 30, 2026*

ISSUED BY _____
President & CEO

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this _____ day of_____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Nolin Rural Electric Cooperative Corporation, with its principal place of business at 411 Ring Road, Elizabethtown, KY 42701 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number:_____Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D)(T)

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D)(T)

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of __ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

_____
<TITLE>, NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption =_____MWhs per year

Amount of Renewable Energy to be Purchased = _____MWhs per year

Equivalent MWs of Capacity to be Purchased = _____MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____Wind _____Hydro

_____ Landfill Methane Gas _____Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this _____ day of _____, _____, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Nolin RECC, with its principal place of business at 411 Ring Road, Elizabethtown, Kentucky 42701 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 *and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries.* For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of *EKPC's* annual *short-term borrowing rate* will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP").* At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D) (D) (D) (T)

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. (D) (D) (D) (T)

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, *and volumetric fees,* as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, *and volumetric fees,* as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

<CO-OP>

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

[COOP]

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

HONAKER
LAW
OFFICE

Heather S. Temple
heather@hloky.com
(859) 368-8803

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda C. Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: *Schedule REP – Wholesale Renewable Energy Program*

Dear Ms. Bridwell,

Enclosed please find for filing Blue Grass Energy Cooperative Corporation's proposed updates to Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H") to be base the avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). It necessary for Blue Grass Energy Cooperative Corporation's to make this change as well so the tariffs are consistent.

If you have any questions, please let me know.

Sincerely,

Heather S. Temple
Heather S. Temple

Enc.

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Blue Grass Energy Cooperative Corporation, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy purchase renewable energy, or purchase RECs. Alternatively, the retail member, Blue Grass Energy, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. D

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B –A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Blue Grass Energy and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Blue Grass Energy and EKPC, C&I retail members have the opportunity to purchase RECs through Blue Grass Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Blue Grass Energy and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Blue Grass Energy and EKPC will determine the type of renewable resource and *number* of RECs Blue Grass Energy and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM *Locational* Marginal *Price ("LMP")*. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

DATE OF ISSUE: June 30, 2026

DATE EFFECTIVE: July 30, 2026

ISSUED BY: Martin W. Gattell
President and Chief Executive Officer

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Blue Grass Energy and EKPC. They will have the option to instruct Blue Grass Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Blue Grass Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Blue Grass Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky; Blue Grass Energy Cooperative Corporation, with its principal place of business at 1201 Lexington Road, Nicholasville, Kentucky 40340 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

BLUE GRASS ENERGY

_____
BLUE GRASS ENERGY (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this _____ day of _____, _____, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Blue Grass Energy Cooperative Corporation, with its principal place of business at 1201 Lexington Road, Nicholasville, Kentucky 40340 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. D/T
Any excess credit(s) can be carried forward to offset a later billed amount.

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to D/T
convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount.

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

BLUE GRASS ENERGY

_____
BLUE GRASS ENERGY (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Blue Grass Energy Cooperative Corporation** a Kentucky corporation with its principal offices at 1201 Lexington Road, Nicholasville, Kentucky ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

BLUE GRASS ENERGY COOPERATIVE CORPORIATION

By: _____

Title:_____

[GUARANTOR]

By: _____

Title:_____

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Blue Grass Energy Cooperative Corporation, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Blue Grass Energy, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources ~~deemed to be Green-e certified~~. D

b. A~~n~~ REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B – A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Blue Grass Energy and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Blue Grass Energy and EKPC, ~~commercial and industrial (~~"C&I"~~)~~ retail members have the opportunity to purchase RECs through Blue Grass Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Blue Grass Energy and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Blue Grass Energy and EKPC will determine the type of renewable resource and ~~amount~~ *number* of RECs Blue Grass Energy and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Blue Grass Energy per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

DATE OF ISSUE: ~~June 23, 2026~~ *June 30, 2026*

DATE EFFECTIVE: May 1, 2026 *July 30, 2026*

ISSUED BY: Martin W. Fatting
President and Chief Executive Officer

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Blue Grass Energy and EKPC. They will have the option to instruct Blue Grass Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Blue Grass Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Blue Grass Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Blue Grass Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Blue Grass Energy Cooperative Corporation with its principal place of business at 1201 Lexington Road, Nicholasville, Kentucky 40340 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver

or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer

to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

BLUE GRASS ENERGY

_____
BLUE GRASS ENERGY (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this _____ day of _____, _____, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Blue Grass Energy Cooperative Corporation, with its principal place of business at 1201 Lexington Road, Nicholasville, Kentucky 40340 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

BLUE GRASS ENERGY

_____
BLUE GRASS ENERGY (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Blue Grass Energy Cooperative Corporation**, a Kentucky corporation with its principal offices at 1201 Lexington, Rd, Nicholasville, Kentucky 40340 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title: _____

BLUE GRASS ENERGY COOPERATIVE CORPORATION

By: _____

Title: _____

[GUARANTOR]

By: _____

Title: _____

HONAKER
LAW
OFFICE

Heather S. Temple
heather@hloky.com
(859) 368-8803

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda C. Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: *Schedule REP – Wholesale Renewable Energy Program*

Dear Ms. Bridwell,

Enclosed please find for filing Clark Energy Cooperative Inc.'s proposed updates to Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H") to be base the avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). It necessary for Clark Energy Cooperative Inc.'s to make this change as well so the tariffs are consistent.

If you have any questions, please let me know.

Sincerely,

Heather S. Temple

Heather S. Temple

Enc.

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Clark Energy Cooperative, Inc. via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Clark Energy and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. D

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B –A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Clark Energy and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Clark Energy and EKPC, C&I retail members have the opportunity to purchase RECs through Clark Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

DATE OF ISSUE: June 30, 2026

DATE EFFECTIVE: July 30, 2026

ISSUED BY: Billy Frasure
VP, Finance and Office Services

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Clark Energy and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Clark Energy and EKPC will determine the type of renewable resource and *number* of RECs Clark Energy and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM *Locational* Marginal *Price ("LMP"). The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

DATE OF ISSUE: June 30, 2026

DATE EFFECTIVE: July 30, 2026

ISSUED BY: Billy Frazier
VP, Finance and Office Services

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Clark Energy and EKPC. They will have the option to instruct Clark Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Clark Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Clark Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Clark Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this _____ day of _____, _____, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Clark Energy Cooperative Inc., with its principal place of business at 2640 IronWorks Road, Winchester, Kentucky 40391 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

CLARK ENERGY

_____
CO-OP REPRESENTATIVE NAME AND TITLE (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Clark Energy Cooperative, Inc.**, a Kentucky corporation with its principal offices at 2640 Iron Works Road, Winchester, Kentucky 40391 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

CLARK ENERGY COOPERATIVE, INC.

By: _____

Title:_____

[GUARANTOR]

By: _____

Title:_____

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Clark Energy Cooperative, Inc., with its principal place of business at 2640 Iron Works Road, Winchester, Kentucky 40391 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

CLARK ENERGY

_____
CO-OP REPRESENTATIVE NAME AND TITLE (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Clark Energy Cooperative, Inc. via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Clark Energy and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. **T**

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources ~~deemed to be Green-e certified~~. **D**

b. A~~n~~ REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B – ~~Option B is available on or before March 25, 2025.~~ A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Clark Energy and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. **D/T**

Option C – After entering into an agreement with Clark Energy and EKPC, ~~commercial and industrial (~~"C&I~~")~~ retail members have the opportunity to purchase RECs through Clark Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. **T**

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Clark Energy and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Clark Energy and EKPC will determine the type of renewable resource and ~~amount~~ *number* of RECs Clark Energy and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T ↓

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T ↓

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Clark Energy per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D ↓ T

DATE OF ISSUE: ~~June 23, 2026~~ *June 30, 2026*

DATE EFFECTIVE: May 1, 2026 *July 30, 2026*

ISSUED BY: _____
VP, Finance and Office Service

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Clark Energy and EKPC. They will have the option to instruct Clark Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Clark Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Clark Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Clark Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this _____ day of, _____, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Clark Energy Cooperative, Inc., with its principal place of business at 2540 Iron Works Road, Winchester, Kentucky 40391 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) **By Customer.** The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

CLARK ENERGY

_____
CO-OP REPRESENTATIVE NAME AND TITLE (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), Clark Energy Cooperative, Inc., a Kentucky corporation with its principal offices at 2540 Iron Works Road, Winchester, Kentucky 40391 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to

be performed or observed by Customer, or if any event of default occurs thereunder and any required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and

Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every

holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding

brought in any one of the above-described courts or that any such suit, action or proceeding has been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

CLARK ENERGY COOPERATIVE, INC.

By: _____

Title:_____

[GUARANTOR]

By: _____

Title:_____

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Clark Energy Cooperative, Inc., with its principal place of business at 2540 Iron Works Road, Winchester, Kentucky 40391 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

<CUSTOMER>

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

CLARK ENERGY COOPERATIVE

_____
<CO-OP REPRESENTATIVE NAME AND TITLE> (please print)

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
<TITLE>, EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

HONAKER
LAW
OFFICE

Heather S. Temple
heather@hloky.com
(859) 368-8803

June 30, 2026

Via Electronic Tariff Filing System

Ms. Linda C. Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: *Schedule REP – Wholesale Renewable Energy Program*

Dear Ms. Bridwell,

Enclosed please find for filing Licking Valley Rural Electric Cooperative Corporation's proposed updates to Schedule REP Renewable Energy Program. EKPC is updating its Tariff, P.S.C. 35, Third Revised Sheet No. 35, Rate H – Wholesale Renewable Energy Program ("Rate H") to be base the avoided cost credit on the PJM Interconnection, LLC ("PJM") Locational Marginal Pricing ("LMP"). It necessary for Licking Valley Rural Electric Cooperative Corporation's to make this change as well so the tariffs are consistent.

If you have any questions, please let me know.

Sincerely,

Heather S. Temple

Heather S. Temple

Enc.

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Licking Valley via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Licking Valley and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. D

b. A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B –A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Licking Valey and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Licking Valley and EKPC, C&I retail members have the opportunity to purchase RECs through Licking Valley and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

DATE OF ISSUE: *June 30, 2026*

DATE EFFECTIVE: Service rendered on and after *July 30, 2026*

ISSUED BY: _____
General Manager

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Licking Valley and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Licking Valley and EKPC will determine the type of renewable resource and *number* of RECs Licking Valley and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the PJM *Locational* Marginal *Price ("LMP").* *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

DATE OF ISSUE: *June 30, 2026*

DATE EFFECTIVE: Service rendered on and after *July 30, 2026*

ISSUED BY: _____
General Manager

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Licking Valley and EKPC. They will have the option to instruct Licking Valley and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Licking Valley and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.*

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Licking Valley will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Licking Valley and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this _____ day of _____, _____, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Licking Valley RECC, with its principal place of business at PO Box 605 West Liberty, Kentucky 41472 ("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price* ("*LMP*"). At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the

Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby

irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and

continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) By Customer. The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy

times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state

the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the

Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

LICKING VALLEY RECC

_____
GENERAL MANAGER

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC.

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **[COOP]**, a Kentucky corporation with its principal offices at [ADDRESS] ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

LICKING VALEY RECC

By: _____

Title:_____

GUARANTOR

By: _____

Title:_____

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Licking Valley RECC, with its principal place of business at PO Box 605, West Liberty, Kentucky 41472 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to the PJM *Locational* Marginal *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to the PJM *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to

demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:
    (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE**

RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may

not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

LICKING VALLEY RECC

_____
GENERAL MANAGER

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass

SCHEDULE REP
Renewable Energy Program

Standard Rider

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide retail members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are two options. Licking Valley, via its participation in East Kentucky Power Cooperative, Inc.'s (EKPC) *Wholesale* Renewable Energy Program ~~(Envirowatts)~~, will aggregate the contributions provided by the retail members to develop renewable energy *(Envirowatts)*, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Licking Valley, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption. T

Applicability

In all territories served.

Definitions

a. Renewable energy is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources ~~deemed to be Green-e certified~~. D

b. A~~n~~ REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of renewable energy.

Availability of Service

This rider is available to any retail member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in $2.75 increments (e.g., $2.75, $5.50, $8.25, or more per month). The retail member may allocate a "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program. Funds contributed by retail members are not refundable.

Option B – A *commercial and industrial ("C&I")* retail member may, after entering into a special agreement with Licking Valley and EKPC, purchase renewable energy to offset the retail member's existing energy consumptions under the members' applicable rate schedule. D/T

Option C – After entering into an agreement with Licking Valley and EKPC, ~~commercial and industrial (~~"C&I"~~)~~ retail members have the opportunity to purchase RECs through Licking Valley and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable. T

DATE OF ISSUE: ~~June 11, 2026~~ *June 30, 2026*

DATE EFFECTIVE: ~~May 1, 2026~~ *July 30, 2026*

ISSUED BY: _____
General Manager

Renewable Energy Program (continued)

Eligibility

Under Option A, a "Pledge to Purchase Renewable Energy" form must be completed for enrollment by the retail member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program.

Under Option B, a retail member must execute an agreement with Licking Valley and EKPC to purchase, supply or secure a minimum renewable capacity of one (1) MW. The maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three (3) years. For new business with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Licking Valley and EKPC will determine the type of renewable resource and ~~amount~~ *number* of RECs Licking Valley and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the ~~amount~~ *number* of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC. T

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

Rate

Under Option A, monthly contributions of any amount in $2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy" *for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kWhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.* The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contribution. T

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for ~~the base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable portion of the Environmental Surcharge that EKPC credited to Licking Valley per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, and variable environmental surcharge for the delivered renewable energy pursuant to the agreement. The total credit will be limited to the lesser of this credit amount or~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option B Renewable Energy Program participation.* D T

DATE OF ISSUE: ~~June 11, 2026~~ *June 30, 2026*

DATE EFFECTIVE: ~~May 11, 2026~~ *July 30, 2026*

ISSUED BY: _____
General Manager

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Licking Valley and EKPC. They will have the option to instruct Licking Valley and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for Licking Valley and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. *The fuel adjustment clause and the environmental surcharge are not applicable to the Option C Renewable Energy Program participation.* T

Billing and Minimum Charge

Under Option A, the retail member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Renewable Resource Energy retail participants will be billed at their existing rate of $2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Licking Valley will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing Licking Valley and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the participant's electric bill.

Terms of Service and Payment

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each retail member.

COMMERCIAL AND INDUSTRIAL
RENEWABLE ENERGY PROGRAM PURCHASE AGREEMENT

This Commercial and Industrial Renewable Energy Program Purchase Agreement ("Agreement") is made and entered into this _____ day of _____, _____, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Licking Valley, with its principal place of business at P.O. Box 605 West Liberty, Kentucky 41472("Cooperative"); and the following identified commercial or industrial end-use retail customer ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer is a commercial or industrial customer of Cooperative and has an interest in acquiring energy from renewable resources and/or renewable energy credits ("RECS") arising from the generation of energy from renewable resources; and

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, renewable energy and/or purchase and retire REC's from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es) and account(s);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Purchase and Sale of Renewable Energy Credits**. The Customer may direct Cooperative and EKPC to offset up to all of the Customer's energy consumption, resulting in that portion of energy consumed to be considered renewable, by purchasing and retiring RECs equal to the amount designated by the Customer. The amount of RECs to be purchased and retired shall be designated as: covering a set percentage of the Customer's energy consumption each month; setting a particular dollar amount for REC purchases per month; or designating a set number of megawatt hours ("MWhs") to be covered by REC purchases. The calculations and elections necessary to fulfill the obligation to purchase and retire RECs are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements. The Customer may instruct Cooperative and EKPC to secure an advance purchase of RECs in the amount not to exceed 12 months of projected REC need pursuant to the terms in this Agreement.

3. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses for purposes of determining the amount of renewable energy and RECs allowed to be purchased pursuant to the terms of this Agreement. The sum of the renewable energy purchases and REC purchases by Customer shall net exceed the Customer's energy usage at all accounts listed above.

4. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

5. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

6. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

7. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy or RECs sold hereunder shall be

generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy or RECs purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy and REC purchases contemplated herein are acquired.

8. **Pricing.**

(a) **Energy Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

(b) **REC Pricing.** Customer shall pay to Cooperative and Cooperative shall pay to EKPC the market value of the RECs purchased on the Customer's behalf without mark-up from either Cooperative or EKPC. EKPC will increase the Cooperative's monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of $100 and incurred volumetric fees. Volumetric fees includes, but are not limited to, per REC costs paid to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1/12 of EKPC's annual short-term borrowing rate will be added to the Cooperative's bill.

9. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

11. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative and all RECs purchased and retired on behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Cooperative for all non-renewable energy and REC purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer and all RECs purchased and retired on

behalf of the Customer, together with the REC purchase transaction fee, and volumetric fees, as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

12. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy acquired or generated by EKPC or Cooperative, or to pay for any RECs acquired by EKPC and or Cooperative, when such purchases are made in performance of their respective obligations under this agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy or RECs are actually sold by EKPC or Cooperative to another buyer from the price set forth herein or the purchased REC price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and efforts made by EKPC and or Cooperative to market the renewable energy or RECs at the best market price attainable.

13. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein. [NOTE: THIS TERM WILL NEED TO BE UPDATED IN A MANNER CONSISTENT WITH THE TARIFF BASED UPON WHETHER IT IS AN ENERGY PURCHASE, REC PURCHASE OR COMBO PURCHASE.]

14. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy or RECs purchased pursuant to this Agreement.

15. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

16. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's

receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph twelve (12) above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining

in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Security and Guaranty.** [THIS SECTION SHALL BE INCLUDED IN ANY AGREEMENT WHERE EKPC'S OR COOPERATIVE'S MARKET OR CREDIT EXPOSURE IS ANTICIPATED TO EXCEED $5,000 DURING ANY YEAR OF THE TERM.]

(a) **Financial Information.** If requested by any other Party to this Agreement, a Party shall deliver within one hundred twenty (120) days following the end of each fiscal year, a copy of the Party's or Party's parent company annual report containing audited consolidated financial statements for such fiscal year. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles (i.e. GAAP, IFRS and the RUS USoA); provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Party providing such information diligently pursues the preparation, certification and delivery of the statements. Each Party shall provide concurrent notice to the other Parties in the event of a material negative change in its financial condition.

(b) **Obligation to Provide Performance Assurance**.

(i) **By Customer.** The Customer, or its Guarantor, shall provide Performance Assurance acceptable to Cooperative and EKPC in an amount equal to:

(A) the current sum of the Early Customer Termination Payment if: (1) the Customer's highest Credit Rati ng is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; (2) an Event of Default on the part of the Customer has occurred; or (3) the Customer has no Credit Rating from S&P, Fitch or Moody's;

(B) half the current sum of the Early Customer Termination Payment if the Customer's highest Credit Rating is between

"A" from S&P or Fitch or "A2" from Moody's and "BBB" from S&P or Fitch or "Baa2" from Moody's, inclusive; or

(C) zero if the Customer's highest Credit Rating is better than "A" from S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Early Customer Termination Payment shall be calculated quarterly. If Customer provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and EKPC will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(ii) **By EKPC.** EKPC shall provide Performance Assurance acceptable to Customer in an amount equal to:

(A) the current sum of the Supplier Early Termination Payment if: (1) EKPC's highest Credit Rating is less than "BBB" from Standard & Poor's ("S&P") or Fitch or "Baa2" from Moody's; or (2) an Event of Default on the part of EKPC has occurred;

(B) half the current sum of the Supplier Early Termination Payment if EKPC's highest Credit Rating is between "A" from S&P or Fitch or "A2" from Moody's and "BBB" from Standard & Poor's or "Baa2" from Moody's, inclusive; or

(C) zero if the EKPC's highest Credit Rating is better than "A" with S&P or Fitch or "A2" from Moody's.

(D) If Performance Assurance is required to be posted pursuant to subparagraphs (A) through (C) herein, the Supplier Early Termination Payment shall be calculated quarterly. If EKPC provides Performance Assurance via an irrevocable standby letter of credit, the amount will be adjusted quarterly and Customer will release the excess Performance Assurance as appropriate. For purposes of this Agreement, "Credit Rating" means with respect to any entity, on any date of determination, the respective rating then assigned to such entity's unsecured,

senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P, Fitch or Moody's, or if such entity does not have a rating for its unsecured, senior long-term debt or deposit obligations, then the rating assigned to such entity as its issuer rating by S&P, Fitch or Moody's.

(iii) **Performance Assurance Threshold.** Notwithstanding the provisions of subparagraphs (i) and (ii) above, no Performance Assurance shall be required to be posted by either Customer or EKPC if the current sum of the Early Customer Termination Payment or the Supplier Early Termination Payment, as applicable, is equal to or less than $5,000.

(c) **Form of Performance Assurance.** Unless otherwise agreed to in writing by EKPC and Customer, the form of any Performance Assurance required herein shall be an irrevocable, transferable, standby Letter of Credit, issued by a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, with: (i) a Credit Rating of at least (a) "A-" by S&P or "A3" by Moody's; and (ii) having a capitalization of at least $1,000,000,000. The Letter of Credit must be substantially in a form set forth in Appendix B hereto, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. The costs and expenses (including but not limited to the reasonable costs, expenses, and attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Cred it shall be borne by the Pledging Party.

(d) **Administration of Performance Assurance.** Any Letter of Credit shall be subject to the following provisions:

(i) Unless otherwise agreed to in writing by the parties, each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall: (A) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit; (B) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide either a substitute Letter of Credit at least twenty (20) business days prior to the expiration of the outstanding Letter of Credit; and (C) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party either a substitute Letter of Cred it that is issued by a bank acceptable to the Secured Party with in one (1) business day after such refusal;

(ii) The Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit; and

(iii) With respect to each such Letter of Credit, the Pledging Party hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as the Pledging Party's true and lawful attorney-in-fact with full irrevocable power and authority to act in the name, place and stead of the Pledging Party or in the Secured Party's own name, from time to time in the Secured Party's discretion, but only in strict adhere to the terms set forth in the Letter of Credit, for the purpose of taking any and all action and executing and delivering any and all documents or instruments which may be necessary or desirable to accomplish the purposes of this Paragraph 19.

(e) **Exercise of Rights Against Performance Assurance.** In the event that: (1) an Event of Default with respect to the Pledging Party has occurred and is continuing, and all required notices have been given and any cure periods set forth in this Agreement have run; or (2) the Agreement is terminated by any Party prior to the expiration of the term, a Secured Party may exercise any one or more of the rights and remedies provided under the Agreement or as otherwise available under applicable Kentucky law, including, without limitation, exercising any one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under the Kentucky Uniform Commercial Code and other applicable Laws with respect to the Performance Assurance held by or for the benefit of the Secured Party;

(ii) the right to set off any Performance Assurance held by or for the benefit of the Secured Party against, and in satisfaction of, any amount payable by the Pledging Party in respect of any of its obligations; and

(iii) the right to draw in strict adherence with the terms on any outstanding Letter of Credit issued for its benefit. A Secured Party shall be under no obligation to prioritize the order with respect to which it exercises any one or more rights and remedies available hereunder. The Pledging Party shall in all events remain liable to the Secured Party for any amount payable by the Pledging Party in respect of any of its Obligations remaining unpaid after any such liquidation, application and set off.

(f) **Encumbrance; Grant of Security Interest.** As security for the prompt

and complete payment of all amounts due or that may now or hereafter become due from a Party to the other Party and the performance by a Party of al l covenants and obligations to be performed by it pursuant to this Agreement, each Party hereby pledges, assigns, conveys and transfers to the other Parties, and hereby grants to the other Parties a present and continuing security interest in and to, and a general first lien upon and right of setoff against, all Performance Assurance which has been or may in the future be transferred to, or received by, the other Parties and each Party agrees to take such action as the other Parties reasonably request in order to perfect the other Party's continuing security interest in, and lien on (and right of setoff against), such Performance Assurance.

(g) **Guaranty.** Customer's obligations with regard to payment and the provision of Performance Assurance may be assumed by an affiliated guarantor of the Customer who shall be permitted to use its own Credit Rating from Standard & Poor's, Fitch or Moody's for purposes of calculating any Performance Assurance amounts due hereunder. Any such Guaranty shall be in a form substantially similar to that set forth in Appendix B and that is acceptable to EKPC and Cooperative in their respective sole and exclusive discretion. The Customer may substitute an affiliated entity as its Guarantor after having received the express written consent of EKPC and Cooperative, which shall not be unreasonably withheld, to do so. The existence of a Guarantor shall not relieve or excuse the Customer from any obligations set forth in this Agreement.

(h) **Customer Deposit.** In addition to all other payment and Performance Assurance obligations, the Customer shall, prior to [DATE] (and by December 31st of each subsequent year the Agreement is in effect):

(i) Pay to Cooperative a sum equal to the amount necessary to purchase a bond or secondary insurance policy equal to the amount of two times the estimated monthly average [RATE SCHEDULE] billings; or

(ii) Provide a surety bond issued by any Certified Company listed on the most recent version of the U.S. Department of the Treasury's Circular 570 naming Cooperative as the beneficiary thereof and in an amount equal to two times the estimated monthly average [RATE SCHEDULE] billings.

(j) **Early Termination Payment Calculation**.

(i) **By Customer.** The Early Customer Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that the Customer ceases operations at the Facility or

otherwise stops taking service at the Facility at any time within the Term of this Agreement, the Customer shall pay EKPC/Cooperative the difference, if positive, of the levelized cost of existing renewable energy contracts less the forward market value of equivalent renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) within 30 days from the date the Customer ceases operations at the Facility or stops taking service at the Facility; and

(B) **REC Program**. In the event that the Customer fails to purchase all RECs which have been ordered pursuant to the terms of this Agreement, the Customer shall pay EKPC/Coop the difference, if positive, of the sum paid for the RECs less the current market value of the RECs within thirty (30) days from the date the Customer's payment obligation became an Event of Default.

(ii) **By EKPC**. The Early Supplier Termination Payment shall be the sum of:

(A) **Wholesale Renewable Energy Program**. In the event that EKPC defaults on its obligation to sell renewable energy to Customer, other than as a result of a Force Majeure, at any time within the Term of this Agreement, EKPC shall pay Customer the difference, if positive, of the forward market value of equivalent renewable energy less the levelized cost of contracted renewable energy times the prior three years' average production times the shorter of the Agreement Term or the remaining years of the renewable energy contract term(s) (the "Supplier Early Termination Payment") within 30 days from the date EKPC defaults on its obligation to sell renewable energy hereunder; and

(B) **REC Program.** In the event that EKPC fails to supply all RECs which have been ordered pursuant to the terms of this Agreement, EKPC shall pay Customer the difference, if positive, of the sum paid by the Customer for RECs less the current market value of the RECs within thirty (30) days from the date EKPC's obligation to supply the RECs became an Event of Default.

20. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within

twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the Wall Street Journal on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

21. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

22. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

(d) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

(e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(h) it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy and to purchase all RECs referred to herein; and

(j) the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

23. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a

governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

24. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

25. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

26. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

27. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

28. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

29. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

30. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

31. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in

any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

32. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

LICKING VALLEY RECC

_____
GENERAL MANAGER

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC. (please print)

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Renewable Energy Resources (If Applicable)

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Renewable Energy Credits (If Applicable)

Amount of Renewable Energy Credits to be Purchased (Choose One) =

_____ % of Customer's monthly energy consumption**;

_____ Dollars per month; or

_____ MegaWatt Hours per month**

Types of Renewable Energy Credits to be Purchased (check all that apply):

_____	Solar	_____% of RECs
_____	Wind	_____% of RECs
_____	Hydro	_____% of RECs
_____	Landfill Methane Gas	_____% of RECs
_____	Biomass	_____% of RECs
_____	Least-Cost Resource	_____% of RECs

(___) Check here to utilize Renewable Energy Credits in addition to Renewable Energy Resources

**** REC Price requiring additional approval: $ _____ (Average for a given month)**

APPENDIX B

FORM OF GUARANTY

GUARANTY AGREEMENT

This is a GUARANTY AGREEMENT (the "Guaranty Agreement"), dated and effective as of January __, 2020, by and between: **East Kentucky Power Cooperative, Inc**., a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **Licking Valley RECC**, a Kentucky corporation with its principal offices at P.O. Box 605 West Liberty, Kentucky 41472 ("Cooperative"); and _____, a _____ corporation with its principal offices at _____ ("Guarantor").

Recitals

WHEREAS [CUSTOMER]. ("Customer") has entered into a Commercial and Industrial Power Agreement with Renewable Energy Power and/or Renewable Energy Credit Purchases, dated _____, with EKPC and Cooperative (the "Industrial Power Agreement"), pursuant to which Customer has made certain promises and covenants and has certain payment and performance assurance obligations; and

WHEREAS the Industrial Power Agreement requires Customer. to post varying amounts of performance assurance under certain circumstances involving its credit rating from Standard & Poor's or Moody's; and

WHEREAS Customer may use the credit rating of an affiliate who agrees to guaranty its payment and performance assurance obligations under the Industrial Power Agreement; and

WHEREAS, Guarantor, a corporate affiliate, parent, subsidiary or other entity or entities under common control with Customer, agrees to be Customer's guarantor under the Industrial Power Agreement, thereby substituting its credit rating for that of Customer and reducing the amount of performance assurance required under the Industrial Power Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows**:**

1. **Guaranty of Payment and Performance.** The Guarantor, intending to be bound as an accommodation party for Customer, absolutely and unconditionally guarantees to EKPC and Cooperative, their respective successors, endorsees, transferees and assigns, the prompt performance by Customer of all of Customer's payment and performance assurance obligations under the Industrial Power Agreement (collectively, the "Guaranteed Obligations").

2. **Obligations Unconditional**. This is an unconditional and absolute guaranty of payment and performance. If for any reason Customer fails to observe or perform any obligation, undertaking or condition (whether affirmative or negative) in the Industrial Power Agreement to be performed or observed by Customer, or if any event of default occurs thereunder and any

required notice has been given and any cure period has run, the Guarantor shall promptly perform or observe or cause to be performed or observed each such obligation, undertaking or condition, or be responsible for the damages occasioned by such default, regardless of any set-off or counterclaim which Customer may have or assert, and regardless of whether or not EKPC or Cooperative, or anyone on their behalf, shall have instituted any suit, action or proceeding or exhausted their remedies or taken any steps to enforce any rights against Customer, or any other person to compel such performance or to collect all or any part of such amount pursuant to the provisions of the Industrial Power Agreement, or at law or in equity, or otherwise, and regardless of any other condition or contingency. The liability of the Guarantor shall be for the entire amount of the Guaranteed Obligations, jointly and severally with that of Customer.

3. **Waivers and Agreements.** The Guarantor hereby unconditionally:

(a) Waives any requirement that EKPC or Cooperative first seeks to enforce its remedies against Customer or any other person or entity before seeking to enforce this Guaranty Agreement against the Guarantor.

(b) Covenants that the Guarantor's obligations under this Guaranty Agreement will not be discharged except by complete payment and performance of all the Guaranteed Obligations existing under the Industrial Power Agreement.

(c) Agrees that this Guaranty Agreement shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of, the Industrial Power Agreement; or any limitation of the liability of Customer thereunder; or any limitation on the method or terms of payment or performance assurance thereunder which may now or hereafter be caused or imposed in any manner whatsoever.

(d) Waives any obligation that EKPC or Cooperative might otherwise have to marshal assets or to proceed against any particular persons or assets in any particular order.

IT IS THE INTENTION OF THE GUARANTOR THAT THIS AGREEMENT CONSTITUTE AN ABSOLUTE AND UNCONDITIONAL GUARANTY IN ANY AND ALL CIRCUMSTANCES, AND THIS GUARANTY AGREEMENT SHALL BE DISCHARGED ONLY BY THE PERFORMANCE IN FULL OF ALL OF THE GUARANTEED OBLIGATIONS.

4. **Waiver of Notice.** The Guarantor waives notice of acceptance of this Guaranty Agreement by EKPC and Cooperative, notice of execution and delivery of this Guaranty Agreement, and any other guaranty agreement, or any instrument referred to in such documents. The Guarantor further waives, to the fullest extent permitted by applicable law, each and every notice to which the Guarantor would otherwise be entitled under principles of guaranty or suretyship law. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives all notices and defenses whatsoever with respect to this Guaranty Agreement or with respect to the Guaranteed Obligations, including, but not limited to, notice of EKPC's and Cooperative's acceptance of this Guaranty Agreement or its intention to act, or its action, in

reliance upon this Guaranty Agreement; notice of the present existence or future incurring by Customer of any of its Guaranteed Obligations or any other obligations or liability or any terms or amount thereof or any change therein; notice of any default (whether to the Guaranteed Obligations or of any other obligation or liability) by Customer or any accommodation party, co-maker, surety, pledgor, mortgagor, grantor of security, any other guarantor(s) or any other person or entity; notice of the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty Agreement), pledge, mortgage, security interest, assignment, or other security for any of the Guaranteed Obligations; notice of dishonor; notice of nonpayment; notice of acceleration of the Guaranteed Obligations; notice of the making of a demand for payment of the liability or obligations of Customer; presentment and notice of presentment; protest and notice of protest; demand and notice of demand; nonpayment and notice of nonpayment; notice of the disposition of any collateral held to secure the Guaranteed Obligations; and any other notice required by law or otherwise.

5. **Subrogation**. The Guarantor agrees not to exercise any right which may have been acquired by way of subrogation under this Guaranty Agreement, by any payment made hereunder or otherwise, unless and until all of the Guaranteed Obligations, including, but not limited to, all obligations, undertaking or conditions to be performed or observed by Customer pursuant to the Industrial Power Agreement, shall have been performed, observed or paid in full. If any payment shall be made to the Guarantor on account of such subrogation rights at any time when such obligations, undertakings or conditions have not been performed, observed or paid in full, the Guarantor shall pay each and every such amount to EKPC or Cooperative if any amount is outstanding under the Industrial Power Agreement, to be credited and applied upon any of the obligations, undertakings or conditions to be performed, observed or paid pursuant to the Guaranty Agreement.

6. **Maximum Aggregate Liability and Termination**. For purposes of KRS 371.065: (a) the amount of the maximum aggregate liability of the Guarantor hereunder is the sum of all payment and performance assurance obligations of Customer as specified and calculated in the Industrial Power Agreement, plus all interest accruing on the Guaranteed Obligations and fees, charges and costs of collecting the Guaranteed Obligations, including reasonable attorneys' fees; and (b) this Guaranty Agreement shall remain in full force and effect until, and shall terminate on the date which the Industrial Power Agreement also terminates; provided, however, that termination of this Guaranty Agreement on such termination date shall not affect in any manner the liability of the Guarantor with respect to: (i) claims by EKPC or Cooperative against Customer which arise under the Industrial Power Agreement prior to such termination date; or (ii) Guaranteed Obligations created or incurred prior to such termination date, and extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such Guaranteed Obligations prior to, on or after such termination date.

7. **Miscellaneous**.

(a) This Guaranty Agreement shall be binding upon the Guarantor and the Guarantor's successors and assigns, and shall inure to the benefit of, and be enforceable by, EKPC and Cooperative and their respective successors, transferees and assigns, including each and every holder of any indebtedness, obligation or liability of Customer constituting all or a portion of the

Guaranteed Obligations.

(b) EKPC and Cooperative may enforce this Guaranty Agreement with respect to one or more breaches either separately or cumulatively.

(c) This Guaranty Agreement may not be modified or amended without the prior written consent of each Party hereto, and any attempted modification or amendment without such consent shall be void.

(d) This Guaranty Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws (without regard to the conflicts of laws rules) of the Commonwealth of Kentucky.

(e) If any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by any law applicable to this Guaranty Agreement, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term or provision of this Guaranty Agreement is unenforceable or prohibited by law does not affect the validity of such part, term or provision in any other jurisdiction.

(f) The headings in this Guaranty Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement.

(g) This Guaranty Agreement may be signed by each Party hereto upon a separate copy, and in such case, one counterpart of this Guaranty Agreement shall consist of enough of such copies to reflect the signature of each Party.

(h) This Guaranty Agreement may be executed by each party in multiple counterparts, each of which shall be deemed an original. It shall not be necessary in making proof of this Guaranty Agreement or its terms to account for more than one such counterpart.

(i) In the event that any of the Guaranteed Obligations arise out of or are evidenced by more than one obligation or liability of Customer to EKPC or Cooperative, this Guaranty Agreement may be enforced as to each separate liability or obligation constituting a Guaranteed Obligation, either separately or cumulatively.

(j) Guarantor acknowledges and agrees that any suit, action or proceeding with respect to or arising out of this Guaranty Agreement shall only be brought in: the Circuit Court of Clark County Kentucky, or [COOP'S LOCALE] County, Kentucky, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate court; and Guarantor hereby submits to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and Guarantor waives any other preferential jurisdiction by reason of domicile. Guarantor hereby irrevocably waives any objection that Guarantor may now or hereafter have to the laying of venue of any suit, action or proceeding brought in any one of the above-described courts or that any such suit, action or proceeding has

been brought in an inconvenient forum.

(k) TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT GUARANTOR NOW HAS, OR MAY HAVE IN THE FUTURE, TO A TRIAL BY JURY ON ANY CLAIM, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

EAST KENTUCKY POWER COOPERATIVE, INC.

By: _____

Title:_____

LICKING VALLEY RECC

By: _____

Title:_____

GUARANTOR

By: _____

Title:_____

RENEWABLE ENERGY
PURCHASE AGREEMENT

This Renewable Energy Purchase Agreement ("Agreement") is made and entered into this ____ day of ____, 20__, by and between East Kentucky Power Cooperative, Inc., 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"); Licking Valley RECC with its principal place of business at PO Box 605, West Liberty, Kentucky 41472 ("Cooperative"); and the following identified person ("Customer"), who is a Member of Cooperative:

Customer: _____

Mailing Address: _____

Service Address(es): _____

Telephone Number: _____ Email: _____

Account Number(s): _____

WHEREAS, Customer desires and agrees to purchase, and EKPC and Cooperative are both willing and agree to sell, energy from a renewable resource(s) to offset a portion or all of the energy consumed by the Customer at the above-listed service address(es);

THEREFORE, in mutual consideration of the promises, representations, recitals, terms and conditions, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Purchase and Sale of Renewable Energy.** The Customer may purchase renewable energy from Cooperative up to an amount equal to the Customer's average annual energy consumption over the previous three (3) calendar years. In the event Customer has not yet consumed power provided by Cooperative for at least three years, the Customer's actual usage shall be used to calculate an average annual energy consumption amount. The amount of energy purchased hereunder shall be equivalent to at least one (1) megawatt (MW) of installed renewable capacity. Cooperative shall acquire the renewable power sold to Customer from EKPC. The calculations and elections necessary to fulfill the obligation to purchase and sell renewable energy are set forth in Appendix A, which is adopted and incorporated by reference as if set forth herein in full.

2. **Account Aggregation.** Should the Customer have multiple accounts or service addresses with the Cooperative, the Customer shall be able to aggregate the energy consumption across all accounts or services addresses.

3. **Transmission.** EKPC shall arrange and be responsible for all transmission service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the point(s) of delivery of all

current and future non-renewable energy sales to the Cooperative and from which the Cooperative's electric distribution system currently delivers energy to the Customer. EKPC shall schedule or arrange for scheduling services with its transmission providers to deliver the renewable energy to said point(s) of delivery.

4. **Distribution**. The Cooperative shall arrange and be responsible for all distribution service for the renewable energy contemplated to be purchased hereunder and shall deliver or cause to be delivered such renewable energy to the Customer's meter(s).

5. **Title and Risk of Loss.** Title to and risk of loss related to the renewable energy acquired herein shall transfer: (a) from EKPC to the Cooperative at the delivery point(s) for all energy delivered to the Cooperative currently and in the future; and (b) from the Cooperative to the Customer at the Customer's meter. EKPC and Cooperative both warrant that they will deliver the renewable energy to the Customer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Customer's meter.

6. **Renewable Resources.** The Customer may choose the type(s) of renewable resource from which the renewable energy sold hereunder shall be generated. The choices available include: solar, wind, hydro, landfill methane gas or biomass. The Customer may not request or designate that the renewable energy purchased hereunder be acquired from any particular generation facility. EKPC retains the sole and exclusive right to select the resource(s) from which the renewable energy purchases contemplated herein are acquired.

7. **Pricing.** [TO BE NEGOTIATED ON A CASE BY CASE BASIS BASED UPON APPLICABLE RATE SCHEDULES.]

8. **Wholesale Credits.** The Cooperative shall receive a monthly credit on its wholesale power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized~~ *Locational* Marginal ~~Cost~~ *Price ("LMP")*. At no time shall EKPC be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

9. **Retail Credits.** The Customer shall receive a monthly credit on its retail power bill in an amount equal to ~~the lesser of: (1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2)~~ the PJM ~~Localized Marginal Cost~~ *LMP*. At no time shall Cooperative be required to convert any credit accruing hereunder to cash. Any excess credit(s) can be carried forward to offset a later billed amount. D/T

10. **Billing.** EKPC shall invoice the Cooperative for all renewable energy delivered to the Cooperative as part of the invoice it sends to the Cooperative for all non-

renewable energy purchases by the Cooperative. The Cooperative shall then invoice the Customer for all renewable energy delivered to the Customer as part of the invoice it sends to the Customer for all non-renewable energy purchases by the Customer. In both cases, the invoice shall provide sufficient information to demonstrate the manner in which the charges for renewable energy sales were calculated.

11. **Failure to Take Delivery.** If Customer fails to accept all or part of the renewable energy sold hereunder and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the renewable energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

12. **Term.** Subject to paragraph twenty-four (24) below, this Agreement shall be effective beginning on the date set forth above and will continue for a period of ____ years (the "Term"), subject to early termination as provided herein.

13. **Obligation to Customer.** EKPC and Cooperative agree to provide Customer with reasonable updates in the event of any changes in the availability of renewable energy purchased pursuant to this Agreement.

14. **Non-Transferrable.** The Customer may not transfer or assign any obligation, right, liability, or credit arising under this Agreement from one account or service address to another account or service address that is not listed above. The Customer may not transfer, assign, convey, sell or donate this Agreement to any other person unless EKPC and the Cooperative have both provided their express written consent to such action. Such consent may be granted or withheld in the sole discretion of EKPC and the Cooperative.

15. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Kentucky Public Service Commission ("Commission") which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

(a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

(c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to receive the renewable energy, the exclusive remedy for which is provided in paragraph <eleven (11)> above) if such failure is not remedied within three (3) Business Days after written notice;

(d) such Party becomes bankrupt; or

(e) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, any other Party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the rate of two percent (2%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the Dispute is given, from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other Parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

19. **Resolution of Disputes.** Any dispute or need of interpretation between the Parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each Party. Upon receipt of a notice describing the dispute and designating the notifying Party's senior representative and that the dispute is to be resolved by the Parties' senior representatives under this Agreement, the other Parties shall promptly designate its senior representatives to the notifying Party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying Party's notice was received by the other Parties, or within such other period as the Parties may jointly agree, the Parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. Notwithstanding any inconsistent provision herein, any Party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each Party represents and warrants to the other Parties that:
    a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
    b. it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
    c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate

any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all renewable energy referred to herein; and

j. the material economic terms of this Agreement were and are subject to individual negotiation by the Parties.

21. **Disclaimer and Force Majeure.** Customer understands and acknowledges that the generation of renewable energy and the sale of renewable energy is dependent upon numerous factors, including many which are beyond the control of EKPC and the Cooperative. EKPC and the Cooperative shall not be responsible or liable for any disruption or prevention of the production of renewable energy from any generation resource that is attributable to: (a) natural events such as acts of God, landslides, lightning, eclipses, weather patterns, earthquakes, fires, storms or the like; (b) interruption and/or curtailment of transmission facilities of third-parties; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (d) governmental actions such as necessity for compliance with any court or administrative order, law, statute, ordinance, regulation, order, or policy having the effect of law promulgated by a governmental authority having jurisdiction. In the event of any inability by EKPC or the Cooperative to acquire or deliver the renewable energy contemplated to be purchased herein, the Customer agrees to accept non-renewable energy from the Cooperative under the terms and conditions of the Cooperative's tariffs and rate schedules in effect at such time(s).

22. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE RENEWABLE ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.**

23. **Notice.** All notices, requests, consents, and other communications required under this Agreement shall be in writing and will be mailed to the mailing address for each Party as set forth above. Notices will be deemed delivered upon the earlier of: (a) the date of actual receipt, with a copy thereof being sent concurrently by certified or registered mail, return receipt requested: (b) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid; or (c) the following business day after being delivered to a reputable overnight courier service. If for any reason, a Party's mailing address should change, that Party must notify the other Parties in writing of the change of address for notices to be sent.

24. **Regulatory Approvals.** The Agreement is subject to approval by the Commission. This Agreement shall be filed with the Commission by EKPC within twenty (20) days of its full and final execution and EKPC and Cooperative agree to use reasonable efforts to obtain said approval from the Commission. However, in the event that Commission approval is not obtained within one hundred twenty (120) days, the Agreement shall be null and void. This Agreement may also be filed with the United States Rural Utilities Service, however, such a filing would be for informational purposes only.

25. **No Agency.** In performing their respective obligations hereunder, no Party is acting, or is authorized to act, as agent of any other Party.

26. **Forward Contract.** The Parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

28. **Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

29. **Jurisdiction.** Each party agrees that any suit, action, dispute or other proceeding arising out of the Agreement or any transaction contemplated by the Agreement shall be heard in, and hereby irrevocably submits to the exclusive jurisdictions of the Circuit Court of Clark County, and the United States District Court for the Eastern District of Kentucky, Lexington Division, and the related appellate courts. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in the Agreement shall be effective service of process for any actions, suit, dispute or other proceeding described herein. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the aforementioned courts and the related appellate courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not

to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

30. **Governing Law.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the State of Kentucky, without regard to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CUSTOMER

_____
CUSTOMER NAME (please print)

_____
CUSTOMER SIGNATURE

LICKING VALLEY RECC

_____
GENERAL MANAGER

_____
SIGNATURE

EAST KENTUCKY POWER COOPERATIVE, INC.

_____
EAST KENTUCKY POWER COOPERATIVE, INC.

_____
SIGNATURE

APPENDIX A

ORDER SUMMARY

Customer's Average Annual Energy Consumption = _____ MWhs per year

Amount of Renewable Energy to be Purchased = _____ MWhs per year

Equivalent MWs of Capacity to be Purchased = _____ MWs

Types of Renewable Energy to be Purchased (check all that apply):

_____ Solar _____ Wind _____ Hydro

_____ Landfill Methane Gas _____ Biomass