Final

### RENEWABLE POWER AGREEMENT

## **BETWEEN**

## KENTUCKY UTILITIES COMPANY

**AND** 

TOYOTA MOTOR MANUFACTURING, KENTUCKY, INC.

January 13, 2020

### RENEWABLE POWER AGREEMENT

This RENEWABLE POWER AGREEMENT ("Agreement") is entered into as of January 13, 2020, by and between **Kentucky Utilities Company** ("KU"), a corporation organized and existing under the laws of the Commonwealth of Kentucky, (the "Company"), and Toyota MotorManufacturing, Kentucky, Inc., a corporation organized and existing pursuant to the laws of the Commonwealth of Kentucky (the "Customer").

#### WITNESSETH:

**WHEREAS**, Customer owns and operates an automobile manufacturing facility and has its principal office at 1001 Cherry Blossom Way, Georgetown, Kentucky 40324 (the "Customer Location").

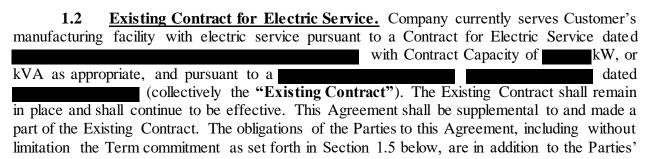
**WHEREAS**, Customer purchases its electric power supply for the Customer Location from Company and desires to contract with Company for the purchase of electric energy produced from a solar powered electric generating resource; and

**WHEREAS**, Company has arranged for the purchase of electric energy from a specific new solar-powered renewable resource (the "Renewable Resource") under a separate Power Purchase Agreement between Company and the owner of the Renewable Resource (the "PPA").

**WHEREAS**, Company will purchase and deliver to Customer such electric energy for use in its manufacturing facility at the Customer Location.

**NOW, THEREFORE**, in consideration of the premises, the covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, each intending to be legally bound, agree as follows.

Customer's behalf and for its benefit, and at Customer's request, Company will purchase energy from the Renewable Resource under the PPA. The Renewable Resource will be a solar photovoltaic system located in Hardin County, Kentucky and will be interconnected to Company's transmission system. It will have a nameplate AC capacity rating of not less than and not more than 100 MW. The output of the solar photovoltaic system will be non-firm, as-available energy, delivered to Company's transmission system under the PPA and measured as described in Section 2.2 below (the "Renewable Energy"). The PPA has a term continuing until the twentieth (20th) anniversary of commercial operation of the Renewable Resource.



obligations under the Existing Contract, and shall continue until termination of this Agreement irrespective of any earlier termination of the Existing Contract.

- 1.3 <u>Application of Green Tariff.</u> This Agreement is pursuant to and in accordance with the Company's Tariff on file with the Commission (the "Tariff") and, more specifically, Option #3 available under Standard Rate Rider GT set forth in the Tariff (the "Green Tariff"). Capitalized terms used but not defined in this Agreement have the meanings set forth in the Tariff.
- 1.4 <u>PPA Pricing.</u> The PPA provides for a per-kWh rate of \$0.02782 per kWh. Such rate is equal to the Renewable Energy Charge defined below which will, except to the extent the Discount Renewable Energy Charge defined in Section 2.7(c) is applicable, be passed through to Customer and, along with tariffed demand charges (subject to the offsets described below) and tariffed standard rate components, paid by Customer to Company under this Agreement. The integration of the PPA pricing for the Renewable Energy into the Existing Contract rates is further described below.
- 1.5 <u>Term.</u> The term of this Agreement commences on the date first written above and shall continue until the earliest of (i) the twentieth (20<sup>th</sup>) anniversary of the date, if any, on which Company notifies Customer of commercial operation of the Renewable Resource, (ii) the termination of this Agreement pursuant to Section 2.4 below, or (iii) the date, if any, on which Company notifies Customer that the PPA has been terminated. This Agreement shall not automatically renew and may be renewed only upon mutual agreement of the Parties. This Agreement and the PPA, are subject to the further approval of the Kentucky Public Service Commission ("Commission") as set forth herein and shall not become effective until approved by the Commission.
- 1.6 <u>Customer's Share of Energy Generated by Renewable Resource.</u> Company will deliver to Customer, and Customer shall Purchase on the terms set forth below, Fifty percent (50%) of the Renewable Energy (the "Allocated Renewable Energy"). To the extent the Allocated Renewable Energy is in excess of Customer's energy usage, Section 2.8 below shall apply.

### II. SALE OF POWER, RATES, BILLING, PAYMENT

- **2.1** Sale of Electricity. Subject to the terms and conditions of this Agreement, the Existing Contract, and the Tariff, including the Green Tariff, Company shall sell to Customer and Customer shall buy from Company all electric energy required by Customer. Company shall sell such electric energy to Customer in compliance with all requirements of Company. The electric energy shall be provided from Company's electric system to Customer at the location of Company's meters on the Customer's Location.
- **2.2** Measurement of Renewable Resource Output. The electric energy produced by the Renewable Resource shall be measured at the Renewable Resource meter point at the interconnection point to the Company's electric system. Such measurement shall be in terms of kWh during the same 15-minute intervals used for billing under the Existing Contract ("Contract Billing Intervals").

- 2.3 Limits of Obligation to Deliver. COMPANY DOES NOT WARRANT OR GUARANTEE THE AMOUNT OF ELECTRIC ENERGY TO BE PRODUCED BY THE RENEWABLE RESOURCE FOR ANY HOURLY, DAILY, MONTHLY, ANNUAL OR OTHER PERIOD OR ANY CUMULATIVE AMOUNT. CUSTOMER ACKNOWLEDGES THAT THE ELECTRIC ENERGY PRODUCED BY THE SOLAR ELECTRIC FACILITY IS DEPENDENT UPON THE AVAILABILITY OF SUFFICIENT SUNLIGHT TO PRODUCE ELECTRIC ENERGY, AND THAT NO OR LIMITED AMOUNTS OF ELECTRIC ENERGY WILL BE PRODUCED BY THE RENEWABLE RESOURCE WHEN SUFFICIENT SUNLIGHT IS UNAVAILABLE.
- **2.4** Regulatory Approval; Confirmation of Condition Precedent. This Agreement and the PPA are subject to the jurisdiction and approval of the Commission. Company shall make application at Company's cost for all necessary regulatory approvals, including approval by the Commission, within sixty (60) days of the execution of this Agreement by Company and Customer. Due to uncertainty as to the timing of such approvals and the potential for such approvals to be subject to varying conditions, the delivery by each Party to the other Party of a written notice stating that the Party delivering such notice does not object to any conditions of such approvals (a "CP Confirmation Notice") shall be a condition precedent to the purchase or sale of any Renewable Energy or RECs under this Agreement. A Party's determination as to whether to deliver a CP Confirmation Notice shall be at such Party's sole discretion. Should either Party or both Parties fail to deliver a CP Confirmation Notice to the other on or before March 31, 2020, either Party may deliver a termination notice to the other Party with such termination effective on the date thirty (30) days following such notice unless, before such date, both Parties have delivered to each other CP Confirmation Notices.
- Renewable Energy Certificates. Under the PPA, Company will obtain all Renewable Energy Certificates ("RECs") attributable to the Renewable Energy. Company will transfer to Customer all RECs attributable to the Allocated Renewable Energy ("Allocated RECs") without additional charges. All Allocated RECs will be registered with (i) the Generation Attribute Tracking System ("GATS") administered by PJM Environmental Information Services ("PJM EIS"), or (ii) in the event the PJMEIS is unavailable or unsuitable in the view of Company, another proven renewable asset tracking system associated with the major regional Independent System Operators (ISO). Customer and Company shall cooperate to obtain any and all required approvals and consents that may be required to effectuate deposits and retirements concerning the Allocated RECs under the applicable governing rules. The transfer will be without cost to Customer except for reimbursement to Company for any out-of-pocket fees charged by the tracking system to effectuate the transfer, which fees are paid initially by Company.
- **2.6** <u>Company's Terms and Conditions</u>. This Agreement is subject to the Terms and Conditions contained in the Tariff, including the Green Tariff. Should there be any conflict in the terms between such Terms and Conditions and this Agreement, the terms of this Agreement shall, following approval of this Agreement by the Commission, prevail.

2.7	Rates.	Customer sha	Il pay Company	for its	services	during	the	Term pursu	ant to
this Agreeme	ent at the r	ates set forth in	Customer's ap	plicable	Tariff (				
), 1	the Green	Tariff, and this	s Agreement, a	s set for	th below:				

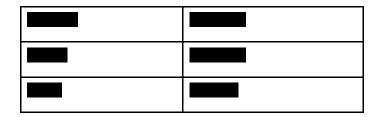
- (a) Pursuant to the Tariff and the Existing Contract, Customer's rates include a Basic Service Charge per day, plus an Energy Charge per kWh, plus a Maximum Load Charge per kVA for Customer's Peak Demand Period, Intermediate Demand Period, and Base Demand Periods, and Adjustment charges as described therein.
- (b) Renewable Energy Charge. In addition, Customer will pay Company \$0.02782 per kWh (the "Renewable Energy Charge") for all Allocated Renewable Energy other than Discount Renewable Energy as defined in Section 2.7(c). The Energy Charge (as such term is used in the Tariff) for all kWh of energy delivered to Customer in excess of the Allocated Renewable Energy delivered to Customer shall be equal to the Energy Charge in the Existing Contract. The Renewable Energy Charge and, to the extent otherwise applicable, the Discounted Renewable Energy Charge shall be applicable throughout the Term of this Agreement and shall remain applicable during the Term even if the Existing Contract terminates.
- (c) <u>Discounted Renewable Energy</u>. To the extent the Renewable Energy in any calendar year exceeds kWh, all Renewable Energy in excess of such amount during such calendar year shall be treated as "Discounted Renewable Energy" in accordance with this Section 2.7(c). Discounted Renewable Energy, if any, shall be allocated to Customer in the same percentage as other Renewable Energy and shall, to the extent so allocated to Customer, be included in Allocated Renewable Energy. Customer will pay Company \$0.01391 per kWh (the "Discounted Renewable Energy Charge") for any Discounted Renewable Energy included in Allocated Renewable Energy, with such Discounted Renewable Energy Charge paid in lieu of the Renewable Energy Charge with respect to such Discounted Renewable Energy. (All Allocated Renewable Energy other than Discounted Renewable Energy shall continue to be subject to the Renewable Energy Charge.)
- (d) <u>Energy Offsets</u>. Each kWh of Allocated Renewable Energy in a Contract Billing Interval shall be offset against the kWh of Customer's energy usage on which the Energy Charge for such Contract Billing Interval is based under the Existing Contract, so that Customer is not subjected to two Energy Charges for the same kWh used.
- (e) <u>Peak and Intermediate Demand Charge Offsets</u>. To the extent the Allocated Renewable Energy is coincident with Customer's energy usage during each Contract Billing Interval, Customer's Peak and Intermediate Demands under the Existing Contract will be

reduced by the amount of Allocated Renewable Energy delivered to Company in such Contract Billing Interval. The resultant demands for all Contract Billing Intervals in the billing period will only be used in calculating Peak and Intermediate Demand Charges under the Existing Contract.

- (f) <u>Base Demand Charges</u>. Customer's Base Demand, which covers charges, will not be reduced based on Allocated Renewable Energy since it must be delivered to Customer. Customer will pay a Charge equal to the Maximum Load Charge during the Base Demand Period of the Existing Contract.
- (g) <u>Standard Rate Components</u>. Rates shall include standard rate components, *e.g.*, basic service charges and cost-recovery mechanisms as though Customer purchased all of its energy and demand under its applicable standard Tariff rate schedule(s). Such standard rate components may change from time-to-time as required or approved by the Commission. Charges and credits for adjustments to metered load will appear as separate line items on bills under the Existing Contract. Bill adjustments may need to be reviewed and modified after any future rate design modifications approved by the Commission.
- (h) Should the rate schedule of most predominant application to Customer (currently ) change during the Term, the rates applicable to the succeeding rate schedule of most predominant application to Customer shall be used for calculating the Existing Contract rates, but not the Energy Charge for Allocated Renewable Energy, under this Agreement.
- 2.8 Excess Allocated Renewable Energy. Customer will receive a bill credit (credited against charges under the Existing Contract and this Agreement) from Company for all Allocated Renewable Energy delivered to Company in excess of Customer's energy usage during the same Contract Billing Intervals as defined above ("Excess Renewable Energy"). The total billing period credit will be calculated as the Company's avoided energy cost ("AEC") rate as described in Company's LQF tariff rider multiplied by the total amount of Excess Renewable Energy for all Contract Billing Intervals within the billing period.

2.9	<u>Performance Security</u> .			

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- **2.10** Billing. Customer will be billed monthly under the Green Tariff. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses. Company shall include in the Customer's monthly invoice the quantity of Allocated Renewable Energy, the applicable energy and demand offsets for such, any Excess Renewable Energy received, and the Existing Contract charges. Upon Customer's request, which may not be more frequent than once per year, Company shall provide Customer with information sufficient for Customer to verify for the most recent thirty-six (36) month period, the Renewable Energy produced by the Renewable Resource and the credits earned by Customer; provided that Customer also may request such information in connection with any Force Majeure Event or in the event of any default by Company in its obligations under this Agreement. In the event the Existing Contract is terminated prior to the end of the Term of this Agreement, Customer shall maintain a billing address for the remainder of such Term, which, in addition to serving as a billing address, shall serve as a payment address in the event credits under Section 2.8 exceed amounts owed by Customer under Sections 2.7(b) and 2.7(c).
- **2.11** Payment. Subject to any applicable requirements of the Commission, Customer shall pay each invoice within the time specified on the invoice according to Company's normal billing practices. Payments shall be made by electronic funds transfer to an account designated by Company in the invoice or in a written notice delivered to Customer. Any amounts not paid when due, including any amounts properly disputed and later determined to be owed, shall accrue late fees as set forth in the Tariff. Further, Company may at its option at any time recoup or offset amounts owed by Company to Customer or its affiliates against any amounts owed by Customer to Company.
- **2.12** Full-Requirements Purchase. Throughout the Term, Customer shall receive from Company, and pay to Company for all its electric energy requirements pursuant to Company's applicable Tariff; provided that Customer may install its own electric generation equipment "behind the meter" but shall remain responsible for its purchase obligations under this Agreement and under the Existing Contract including without limitation the demand charges associated with its Contract Capacity. Company shall be required to provide, without regard to the operation of or output of the Renewable Resource, Customer's full electric energy requirements.
- 2.13 Renewable Resource Design and Equipment. Company does not warrant the Renewable Resource including but not limited to design, equipment, or output. CUSTOMER ACKNOWLEDGES THAT NO WARRANTY EXISTS WITH RESPECT TO THE EFFICACY, EFFICIENCY, OR LIFE EXPECTANCY OF THE RENEWABLE RESOURCE AND COMPANY HEREBY DISCLAIMS ANY AND ALL SUCH WARRANTIES. CUSTOMER ACKNOWLEDGES THAT TECHNOLOGICAL ADVANCES, CHANGING MARKET CONDITIONS, AND ACTIONS OF

GOVERNMENTAL AUTHORITIES MAY AFFECT THE ECONOMIC OR OPERATING BASES ON WHICH THE RENEWABLE RESOURCE'S ECONOMICS ARE BASED. COMPANYHEREBY DISCLAIMS ALL IMPLIED WARRANTIES WITH RESPECT TO THE RENEWABLE RESOURCE, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

- **2.14** Ownership of Tax Attributes. The PPA does not provide for Company to receive any tax credits or similar tax incentives that may arise as a result of the operation of the Renewable Resource ("Tax Attributes"). However, in the event Company receives any Tax Attributes under the PPA, Company shall be the owner of such Tax Attributes and shall be entitled to transfer such Tax Attributes, if any, to any person.
- 2.15 No Transfer. This Agreement shall not be resold, assigned or otherwise transferred by Customer without the prior written consent of Company, which prior written consent shall not be unreasonably withheld; provided that, Customer may assign its rights under this Agreement to a creditworthy affiliate with the consent of Company, which consent may not be unreasonably withheld, conditioned or denied. Company may assign this Agreement to any entity that purchases or otherwise acquires substantially all of Company's equity securities or assets, or to an affiliate which assumes all of Company's responsibilities under this Agreement, subject to approval of the Commission where required.
- **2.16** <u>Sales Taxes.</u> Customer shall be responsible for all taxes, fees, and charges, including sales, use, and gross receipts taxes, imposed or authorized by any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal ("Governmental Authority"), on the sale of electric energy by Company to Customer.
- **2.17** Allocation of Liquidated Damages under the PPA. The PPA contains guarantees regarding the performance of the Renewable Resource and provides for payment of liquidated damages in connection with failures to meet such guarantees. In the event Company collects liquidated damages under the PPA as a result of the performance of the Renewable Resource, Company shall pay to Customer an amount equal to such liquidated damages multiplied by the percentage stated in Section 1.6 above.

### III. MISCELLANEOUS

3.1 Excuse of Force Majeure Event. Neither Party shall be considered in breach of this Agreement or liable for any delay or failure to comply with this Agreement, if and to the extent that such delay or failure is attributable to the occurrence of a Force Majeure Event (as defined below); provided that the Party claiming relief as a result of the Force Majeure Event shall promptly (i) notify the other Party in writing of the existence and details of the Force Majeure Event; (ii) exercise all reasonable efforts to minimize delay caused by such Force Majeure Event; (iii) notify the other Party in writing of the cessation of such Force Majeure Event; and (iv) resume performance of its obligations hereunder as soon as practicable thereafter. For purposes of this

Agreement, "Force Majeure Event" means any act or event that prevents the affected Party from performing its obligations in accordance with this Agreement, if such act or event is beyond the reasonable control, and not the result of the fault or negligence, of the affected Party. Subject to the foregoing, Force Majeure Events may include but are not limited to the following acts or events: (i) natural phenomena, such as storms, hurricanes, floods, lightning and earthquakes; (ii) explosions or fires arising from lightning or other causes unrelated to the acts or omissions of the Party seeking to be excused from performance; (iii) acts of Governmental Authority, acts of war or public disorders, civil disturbances, riots, insurrection, sabotage, epidemic, terrorist acts, or rebellion; (iv) equipment failure or unavailability or delay in receiving equipment, parts, or supplies, and (v) strikes or labor disputes. Changes in prices for electricity or inability to pay amounts required under this Agreement shall not constitute Force Majeure Events.

- 3.2 **Change in Law.** In the event there is a Change in Law (as defined below) that is applicable to the operation of the Renewable Resource and materially affects the generation of the Renewable Energy or Allocated Renewable Energy (including, without limitation, the quantity and/or cost of the Renewable Energy and Allocated Renewable Energy), the sale of electric energy produced by the Renewable Resource, or any other obligation of the Company hereunder, and compliance with the Change in Law results in an increase in Company's costs to purchase, transmit, and deliver the Allocated Renewable Energy to Customer, Company will promptly submit to Customer a written notice setting forth (i) the applicable Change in Law; (ii) the manner in which such Change in Law increases Company's costs; and (iii) Company's proposed adjustment to the then applicable and future rates for electric energy in this Agreement to reflect such increases in costs. Customer may, within thirty (30) days of such notice from Company, submit to Company a written notice accepting or rejecting the adjustment proposed in Company's notice. In the event Customer rejects Company's adjustment, Company may terminate this Agreement by thirty (30) days' written notice to Customer, without liability to Customer. If Customer accepts or does not reject the adjustment proposed by Company as described above in this Section 3.2, Customer agrees to an adjustment in the then applicable and future rates such that the new rates compensate Company for the total cost increase arising from the Change in Law and said adjustment will remain in effect for as long as the costs arising from the Change in Law continue to be incurred by the Company. "Change in Law" means an amendment, modification, or other change of applicable law, regulation, order or ordinance, enacted, adopted, issued, or promulgated by a Governmental Authority after the date first written above.
- 3.3 <u>LIMITATION ON DAMAGES.</u> EXCEPT AS EXPLICITLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.
- **3.4** <u>Dispute Resolution. Exclusive Procedure</u>. Any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, interpretation, termination, performance, or validity of this Agreement (each, a "**Dispute**") shall be resolved pursuant to the procedures of this Agreement.
- 3.5 <u>Dispute Notice</u>. If a Dispute arises between Company and Customer, then any Party to such Dispute (each, a "**Disputing Party**") may provide written notice thereof to the other Disputing Party, including a reasonably detailed description of the subject matter of the Dispute

(the "**Dispute Notice**"). Any Disputing Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable harm or preserve the status quo, in which case the Disputing Parties nonetheless will continue to pursue resolution of the Dispute pursuant to this Agreement. Notwithstanding any provision to the contrary contained in this Agreement, in no event shall any Party be entitled to bring a Dispute arising under this Agreement more than two (2) years after such Party knew or reasonably should have known of the facts or circumstances giving rise to the Dispute or, in the case of a Dispute with respect to any invoice, more than one (1) year after the date of the invoice.

- 3.6 <u>Informal Dispute Resolution</u>. To the extent consistent with KRS Chapter 278, the Disputing Parties shall make a good faith effort to resolve the Dispute by prompt negotiations between or among each Disputing Party's representative so designated in writing to the other Disputing Party or Disputing Parties (each, a "Manager") who shall have authority to settle the Dispute. If the Managers are not able to resolve the Dispute within sixty (60) days after the date of the Dispute Notice, then the Parties will be permitted to seek their rights and remedies permitted in law and equity. These provisions shall survive any termination of this Agreement.
- 3.7 Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Kentucky, including principles of good faith and fair dealing that will apply to all dealings under this Agreement without regard to the conflicts of laws principles of such state. The United States District Court for the Western District of Kentucky, or the Jefferson Circuit Court, each located in Louisville, Kentucky, shall have exclusive jurisdiction and venue of any legal action arising out of this Agreement, and each Party submits to the exclusive jurisdiction of such Court; provided that Disputes or other matters which are within the exclusive jurisdiction of the Commission under KRS Chapter 278 shall remain subject to adjudication by the Commission in lieu of the aforementioned Courts.
- **3.8** Forward Contract. Company and Customer agree that, for the purpose of this Agreement, Company is a forward contract merchant and that this Agreement is a forward contract and commodity contract.
- 3.9 Notices. A CP Confirmation Notice shall be deemed properly given if sent to the address of such Party set forth below via a nationally recognized overnight courier. Any other notice required by this Agreement to be made to a Party may be made in the same manner as a CP Confirmation Notice or by electronic mail to the e-mail address set forth below, followed by delivery via a nationally recognized overnight courier, for the recipient. A Party may change its notice address by written notice to the other Party.

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LG&E and KU
One Quality Street
Lexington, KY 40507
Attn: Joseph Howard, Key Account Manager

E-Mail:

Copy to:

LG&E and KU c/o Legal Department 11th Floor 220 West Main Street Louisville, KY 40202 3.9.2. If to Customer: Toyota Motor Manufacturing, Kentucky, Inc. c/o Toyota Motor North America, Inc. 6565 Headquarters Drive, Plano, Texas 75024 Attn: David Absher - SI/ENVI-k E-Mail: With copies to: Toyota Motor North America, Inc. 6565 Headquarters Drive, W1-5B Plano, Texas 75024 Attn: Ty sel E-Mail: And Munsch Hardt Kopf & Harr, PC 500 N Akard, Suite 3800 Dallas, Texas 75201 Attn: Mi E-Mail:

IN WITNESS WHEREOF, intending to be legally bound hereby, Company and Customer have executed this Renewable Energy Agreement as of the date first set forth above.

Company:	Customer:
Kentucky Utilities Company	Toyota Motor Manufacturing, Kentucky, Inc.
By: faulylies Paul W. Bompson	By: Reid
Printed Name	Printed Name
CEO and President Title	VPO) ADMINISTRATION & CORPORATE SERETARY