

**FIRST AMENDMENT TO THE
INDUSTRIAL POWER AGREEMENT DATED AUGUST 1, 2012**

This Amendment, dated this 18th day of November, 2020, is entered into by and between East Kentucky Power Cooperative, Inc. ("EKPC"), Blue Grass Energy Cooperative Corporation ("Blue Grass"), and Essity Operations Wausau LLC ("Essity") f/k/a Wausau Paper Towel & Tissue, LLC ("Wausau"), (collectively, the "Parties"), with respect to the provision of electric service to Essity pursuant to the Industrial Power Agreement entered into by and between the Parties dated August 1, 2012 (the "Agreement").

WHEREAS, subsequent to the execution of the Agreement, "Essity Operations Wausau LLC" succeeded "Wausau Paper Towel & Tissue, LLC" as a party to the Agreement and assumed the rights and obligations of Wausau contained in said Agreement;

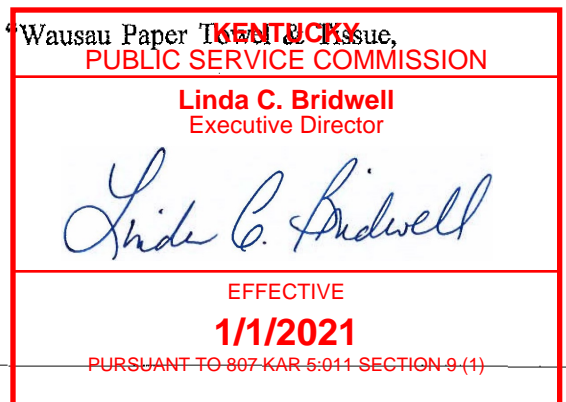
WHEREAS, Paragraph 10 of the Agreement provides that Essity may elect to receive electric service under the terms of an interruptible tariff;

WHEREAS, Essity has advised EKPC and Blue Grass that it wishes to receive service under the terms of an interruptible tariff;

WHEREAS, in light of Essity's request for interruptible service, the Parties have agreed that certain revisions to the Agreement are prudent and necessary;

NOW, THEREFORE, upon consideration of the mutual covenants, terms and conditions contained herein, the Parties agree as follows:

1. The Agreement requires modification, revision and amendment to reflect the fact that "Wausau Paper Towel & Tissue, LLC" has been succeeded by "Essity Operations Wausau LLC". Therefore, all references in the Agreement to "Wausau Paper Towel & Tissue, LLC" shall be deemed to refer to "Essity Operations Wausau LLC".

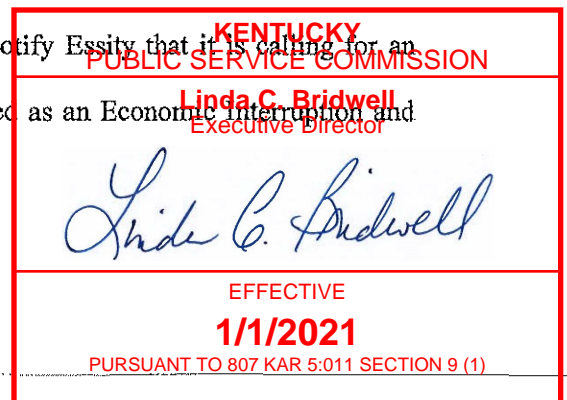


LLC” or “Wausau” shall be deleted and replaced with “Essity Operations Wausau LLC” or “Essity,” as appropriate.

2. Paragraph 10 of the Agreement is deleted in its entirety and replaced with the following amended Paragraph 10:

10. **Interruptible Service.** In accordance with Blue Grass’ Large Industrial Rate Schedule G-1 and Interruptible Service Rider, service to Essity may be interrupted by approved communication medium from EKPC’s Market Operations Center (“MOC”). Essity chooses 7,500 kW of Firm Load with the balance being Interruptible Demand. Interruptible Demand shall not exceed 20,000 kW. EKPC and Blue Grass agree that Essity will not be required to arrange its wiring so that interruptible service would be separately metered and segregated from firm service. Total monthly billing demand shall be the greater of the Contract Demand or Essity’s highest demand during the current month or preceding eleven (11) months, as defined in Blue Grass’ Large Industrial Rate Schedule G1. The determination of monthly billing demand shall be during the hours as defined in Blue Grass’ Interruptible Service Rider. Any additional demand billed as a result of the application of the power factor adjustment, as described in the applicable EKPC and Blue Grass tariffs, shall not be eligible for the interruptible demand credit and shall be billed at the appropriate demand rate as provided in the applicable tariff.

- a. **EKPC Economic Interruptions.** EKPC may interrupt Essity to avoid purchasing energy from the PJM Interconnection LLC (“PJM”) market (an “Economic Interruption”). EKPC shall notify Essity that it is calling for an interruption and the notice shall be defined as an Economic Interruption and



include the number of hours of such interruption. EKPC will endeavor to provide as much advance notice of interruptions as practicable, but Essity will have sixty (60) minutes to reduce its electric power load to the Firm Load Level. Essity shall have the opportunity to buy-through any Economic Interruption and will pay for such buy-through energy. The rate shall be EKPC's out-of-pocket cost at the PJM EKPC Zone during the interruption hours. The amount of buy-through energy billed by Blue Grass to Essity will be the actual energy consumed by Essity above the Firm Load each hour of the Economic Interruption. Interruptible buy-through energy shall not include the base energy charge, a fuel adjustment charge or environmental surcharge.

- b.1 **EKPC Reliability Interruption.** EKPC has the right to call upon a physical interruption of Essity's Interruptible Demand (a "Reliability Interruption") to participate in the PJM Demand Response Programs. EKPC shall notify Essity that it is calling for an interruption and the notice shall be defined as a Reliability Interruption and include the number of hours of such interruption. Essity must interrupt its Interruptible Demand, and the buy-through energy provisions as described above are **not** available for Reliability Interruptions. For Reliability Interruptions, the terms and conditions of PJM's Capacity Program then in place shall apply. Under that Capacity Program, PJM shall notify EKPC of a Reliability Interruption thirty (30) minutes prior to the start of the interruption per Blue Grass' Interruptible Service Rider. Due to a PJM-approved exception to its thirty (30) minute notice and compliance requirement for Reliability Interruptions, Essity will be subject to penalty for non-



compliance after sixty (60) minutes instead of thirty (30) minutes for a PJM Reliability Interruption. The penalty for not interrupting load down to the Firm Load shall be as defined in the Blue Grass' Interruptible Service Tariff. EKPC shall notify Essity of such interruption immediately and Essity shall reduce its load to the Firm Load level defined above. EKPC will immediately notify Essity of any PJM changes to the thirty (30) minute notification exception. PJM requires an interruption annually to test and verify load reduction capabilities if a Reliability Interruption has not been called for the PJM calendar year.

b.2 **EKPC Reliability Interruption (Minimum Offer Price Rule).**

As a result of recent decisions by the Federal Energy Regulatory Commission, it may be necessary to amend or terminate the Agreement. EKPC will offer Essity's interruptible capability into all PJM market auctions including the PJM 2022/2023 delivery year base residual auction. If the Essity resource does not clear any auction including the PJM 2022/2023 delivery year base residual auction, the Parties agree to terminate this Agreement within sixty (60) days' notice provided by EKPC, or Essity agrees to revise section 10.b1 EKPC Reliability Interruption of the Agreement such that Essity will reduce load to the Firm Load level during potential PJM peak hours for the delivery year 2022/2023 and subsequent delivery years until the resource clears a PJM market auction. Further, Essity agrees that it will be subject to no more than 20 load reduction events each PJM delivery year starting the PJM delivery year 2022/2023. Once the Essity resource clears a PJM market auction, the Essity

KENTUCKY PUBLIC SERVICE COMMISSION
Linda C. Bridwell Executive Director

EFFECTIVE 1/1/2021 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

resource will revert back to the original provisions described in 10.b.1 EKPC Reliability Interruption herein.

This section does not modify EKPC's rights to call on Essity for Economic Interruptions pursuant to the provision in 10.a EKPC Economic Interruptions.

c. **Interruption Hours and Notice.** Essity is contracting for interruptible service for all demand over the Firm Load as set forth above, with a total annual interruption of up to 400 hours. The sum of Economic Interruptions and Reliability Interruptions shall not exceed 400 hours on an annual basis. The annual period shall start on June 1 and end on May 31 of the following year. However, during the first year of this Amendment, the annual period shall begin with the effective date of the Amendment and end on May 31 of the following year. The total interruptible hours during the first year shall be pro-rated based upon the actual start date but shall not exceed 200 hours. Interruptions may occur between 6:00 a.m. to 9:00 p.m. EPT during the months of November through April and between 10:00 a.m. to 10:00 p.m. EPT during the months of May through October. No interruption shall last more than 12 hours. Notification of an interruption will be provided by EKPC to Essity via a communication medium approved by the Parties from EKPC's MOC to Essity. Essity's Point of Contact ("POC") to provide the communication of the notice of interruption is as follows:

Primary POC Position Jason Congdon, Operations Manager
Address 1150 Industry Road

KENTUCKY OPERATIONS COMMISSION
Linda C. Bridwell Executive Director

EFFECTIVE 1/1/2021 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Harrodsburg, Kentucky 40330

Phone 920-727-7341

Email jason.congdon@essity.com

Text 920-727-7341

Secondary POC Position Chris Villano, Fiber Sourcing Manager

Address 1150 Industry Road

Harrodsburg, Kentucky 40330

Phone 513-217-3627

Email chris.villano@essity.com

Text 513-292-4614


EKPC's POC is the MOC system operator on duty at the time of communication. The phone number for EKPC's POC is 859-745-9210, and the email address is generation.operations@ekpc.coop.

- d. **Responsibilities of Customer.** It is the responsibility of Essity to be sure its phone is operable and that someone is available 24 hours per day, 365 days per year to promptly respond to a communication from EKPC. Essity shall acknowledge to EKPC receipt of notice of an interruption. If Essity does not acknowledge the notice of interruption from EKPC for any reason, Essity will be considered as failing to interrupt and the failure to interrupt provisions of Blue Grass' Large Industrial Rate Schedule G1 and Interruptible Service Rider will be invoked.

- 3. The terms of this Amendment shall become effective if, and only if, each of the following conditions precedent is satisfied: (i) the Kentucky Public Service Commission approves

KENTUCKY
PUBLIC SERVICE COMMISSION

Linda C. Bridwell
Executive Director




EFFECTIVE
1/1/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

said terms pursuant to Kentucky Revised Statutes, Chapter 278; (ii) all necessary approvals are obtained from the Rural Utilities Service and the National Rural Utilities Cooperative Finance Corporation; and (iii) all necessary approvals are obtained from PJM to carve out an exception to its current thirty (30) minute interruptible notice requirement and in its place allow a sixty (60) minute interruptible notice requirement. The Parties covenant to use their best efforts to forthwith seek and support such approvals by filing such papers, presenting such testimony, and taking such other action as may be necessary or appropriate to secure the same.

4. Except as modified herein, which are hereby incorporated by reference into the Agreement, the other terms and conditions of the Agreement shall remain in full force and effect.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



EFFECTIVE

1/1/2021

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives the day and year first above.

ATTEST:

ESSITY OPERATIONS WAUSAU LLC

John Wells
SIGNATURE
TITLE: Site Manager - Harrodsburg, Ky and Middletown Ohio
[Signature]
ATTEST:

BY John Wells
PRINTED NAME
CHRISTOPHER J. VILLANO
REGIONAL SOURCING MANAGER

EAST KENTUCKY POWER COOPERATIVE, INC.

Anthony S. Campbell
SIGNATURE
TITLE: President & CEO

BY Anthony S. Campbell
PRINTED NAME

ATTEST: Blake Kinney - Blake Kinney - Assistant to CEO

BLUE GRASS ENERGY COOPERATIVE CORPORATION

Michael I Williams
SIGNATURE
TITLE: President & CEO

BY Michael I Williams
PRINTED NAME

[Signature]

Jacob D. Campbell
8 Manager, Ky

Linda C. Bridwell

KENTUCKY PUBLIC SERVICE COMMISSION
Linda C. Bridwell Executive Director
EFFECTIVE 1/1/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)