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| **Term Sheet for Build Own Transfer (BOT) Agreement** | |
| **Seller** | PG&E will execute: (1) a Build Own Transfer Agreement (BOT) with \_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_\_ or Seller) for a \_\_\_\_ MW [Note: minimum of 10 MW], \_\_\_ hour duration [Note: minimum of 4 hour], \_\_\_\_\_\_\_\_\_\_\_\_\_ [Note: insert technology] battery energy storage system (BESS) based on PG&E’s technical specifications and operational requirements (Project); and (2) a separate Long-Term Performance and Maintenance Agreement (LTPMA) to support the post-closing obligations of the Seller for the \_\_\_ year duration (Note: minimum of ten] for warranties, performance guarantees and maintenance activities. |
| **Storage Technology** | Seller will manufacture or procure, install, test and commission an energy storage system [and any necessary transformers from a PG&E-approved manufacturer and a medium-voltage switchgear from one of PG&E’s three Qualified Supplier List switchgear vendors]. Seller’s vendors shall be in compliance with PG&E’s Contractor Safety Program requirements prior to performing work on the project. Seller shall, and shall cause each Subcontractor (as applicable) to, design, engineer, manufacture, procure, construct, install, test, complete, operate, maintain, and ready the Project for Substantial Completion, Final Completion, and transfer to Owner in compliance with each of the following: Prudent Utility Practices; CPUC General Order No. 167; and all applicable requirements of Law, the Transmission Provider, Governmental Rules, Governmental Approvals, Permits, Consents, the CAISO, the CARB, the NERC and the WECC in each case as and to the extent applicable to the Work.  “Prudent Utility Practices” shall mean those practices, criteria, methods, applicable codes and acts engaged in or approved by a significant portion of the utility power industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, that could have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practices are not intended to be limited to the optimum practices, criteria, methods, or acts to the exclusion of others, but rather to those practices, criteria, methods and acts generally accepted or approved by a significant portion of the electric power or energy storage industry in the relevant region, during the relevant time period, as described in the immediately preceding sentence.  Prudent Utility Practices also includes taking reasonable steps to ensure that: (a) Safeguards are implemented and maintained for the Project, the Project Site, and the Laydown Area, and are sufficient to address reasonably foreseeable incidents and emergencies; (b) Equipment, material, and supplies are sufficient and accessible to operate the Project safety and reliably; (c) Applicable Personnel are trained, equipped, and capable of responsible design, procurement, construction, commissioning, testing, operation and maintenance of the Project, including identifying and responding to any safety incidences and emergencies, System Emergencies, Emergencies, or Exigent Circumstances originating from or impacting the Project; (d) The Project’s material components and control systems are designed, manufactured, and configured to meet the standard of durability and safety generally used for electric power or energy storage facilities operating in the relevant region; and (e) The Project is appropriately designed, operated, maintained, monitored, and tested to ensure it continues to function safely, reliably, and consistently with the intended design specifications, Governmental Rules, Laws, Governmental Approvals, Permits and Consents, and over the complete range of environmental conditions reasonably expected to occur at the Project Site. |
| **Contract Term and Minimum Performance Guarantees** | Upon constructing, testing and commissioning the facility for placement into Commercial Operation, all on a turnkey basis, and upon ensuring the project has been built to [PG&E’s specification] and that the facility has satisfied all performance guarantees, PG&E will purchase, own and operate the project. Seller will provide a \_\_\_-year performance guarantee for the following key operating characteristics: Dmax, Discharge Duration, Full-Duty Cycle Efficiency, Frequency Regulation Accuracy, and Equivalent Outage Rate. Seller’s performance will be tested annually, with liquidated damages charged against their annual Performance Guarantee payment, which is paid in arrears after the performance tests are completed. |
| **Purchase Price** | **Purchase Price: $\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Project Location** | TBD |
| **Guaranteed Commercial Operation Date** | Guaranteed Commercial Operation Date is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. |
| **Payment Schedule** | PG&E does not pay until the successful completion of all performance tests and satisfaction of all Closing conditions. PG&E will pay 100% of the Purchase Price at Closing. |
| **Project Milestones** | As defined in the BOT:   * CPUC Approval * Design/Engineering Complete * Delivery of Major Equipment * Mechanical Completion * Substantial Completion * Guaranteed Commercial Operation |
| **Interconnection** | Distribution or Transmission connected at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Note: identify substation] |
| **Assignment of Regulatory Risk** | The effectiveness of the BOT is contingent on a final and non-appealable CPUC Approval, finding that the BOT is reasonable and PG&E’s costs are recoverable. If Commission approval is not obtained within \_\_ 180 calendar days\_\_\_\_ of PG&E filing its Application, either party can terminate the BOT without owing damages |
| **Land** | The Project will be constructed on approximately \_\_\_\_ acre(s) located \_\_\_\_\_\_\_\_\_\_\_ and enclosed within its own fenced perimeter. |
| **Performance Assurance; pre-closing and post-closing** | * To be Determined |
| **Warranties** | * Energy Storage System (ESS) Equipment Warranty (including all spare parts for the ESS) – \_\_\_ (minimum of ten) years following the Closing Date * Power Transformers – 5 years following the Closing Date * Non-ESS Spare Parts Equipment Warranty – 3 years following the Closing Date * Switchgear – 5 years following the Closing Date * Software Warranty – Co-terminus with longest warranty |
| **Safety** | * Any and all safety related costs prior to Project transfer are Seller’s responsibility * Seller and its contractors and subcontractors must be in compliance with PG&E Contractor Safety Program Standards * Seller as of the Closing Date, represents and warrants that (a) the Project and all of the Project Assets (as defined in the BOT) are in good operating condition, maintenance and repair; (b) the Project is capable of operating as designed in accordance with the BOT; and (c) that neither the Project nor any of the Project Assets has any latent defects. * Initial Site Safety Plan (as set forth in the BOT) will be developed by the Execution Date and will be updated as the Project progresses:   + Seller will identify the applicable safety-related Codes, Standards, and Regulations (CSR) that govern the design, engineering, procurement, construction, commissioning, testing, operation and maintenance of the Project using the lithium-ion energy storage technology   + Seller shall provide safety programs and policies, including stated compliance any applicable safety-related industry standards or any industry certification (American National Standards Institute (ANSI), International Organization for Standardization (ISO), etc.   + Seller shall identify and describe potential hazards and risks to life, safety, public health, property, or the environment due to or arising from the Project as part of the Site Safety Plan. The applicable site-specific safety plans will include risk mitigation, safeguards and layers of protection, including but not limited to:     - Engineering controls     - Work practices     - Administrative controls     - Personal protective equipment and procedures     - Incident response and recovery plans     - Contractor management     - Operating procedures     - Emergency plans     - Training and qualification programs     - Disposal, recycle, and re-use procedures     - Physical security measures |