**Zero Emitting Term Sheet
Hybrid Compensation**

For hybrid projects, the contract will combine the commercial terms of the Zero-Emitting Term Sheet and PG&E’s Long-term Resource Adequacy Agreement. The compensation will be structured as follows:

|  |  |  |
| --- | --- | --- |
|  | Payment Quantity | [●] MW |
|  | Fixed Contract Price | $[●]/kw-mo |
|  |  Variable Contract Price | $[●]/MWh |
|  | Confirmed Quantity | For all Capacity Attributes of the Product that Seller delivers, Buyer shall pay Seller for the ratio of (a) the sum of all Capacity Attributes of the Delivered Quantities to (b) the sum of all Capacity Attributes of the Product, all as multiplied by (c) the Payment Quantity (“Confirmed Quantity”). |
|  | Proxy Quantity | The hourly generation profile submitted in the Offer Form in connection with PG&E’s MTR RFO. |
|  | Meter Quantity | The amount of Energy generated by the Project and delivered to the point of interconnection to the CAISO-controlled grid, as measured by the Project’s CAISO revenue meter. |
|  | Market Price | Day-Ahead price expressed in $/MWh at the Settlement Point. |
|  | Settlement Point | Project P-node |
|  | Compensation | Monthly Payment (“MOP”) to Seller will be calculated as:MOPm = (FPm \* FQm) – ESm + MPmwhere,FPm = Fixed Contract Price for month mFQm = Confirmed Quantity for month mESm = Energy Settlement for month mMPm = Meter Payment for month mEnergy Settlement will be calculated as:ESm = Σ ESdwhereΣ = the sum from d = 1 to n, where n = number of days in a monthESd = Σ DAi \* PQiwhereESd = Energy Settlement for day dΣ = sum from i=1 to h, where h = number of hours in a dayDAi = Market Price for hour iPQi = Proxy Quantity for hour iMeter Payment will be calculated as:MPm = VP \* MQmwhereVP = Variable Contract PriceMQm = Meter Quantity for month m |
|  | Charging Energy | All charging energy must be from the renewable resource. The storage resource cannot be charged from the grid. |