

## COMMITMENT TO SELL POWER TO MAINE

This Commitment to Sell Power to Maine (“Commitment”) is made as of July 9, 2020 by and between Governor’s Energy Office (“GEO”) and H.Q. Energy Services (U.S.) Inc. (“HQUS”) (each, a “Party” and, collectively, the “Parties”).

**WHEREAS**, in the context of the proposed New England Clean Energy Connect Project (“Project”), the Parties desire to express their intent to negotiate a mutually acceptable Maine Power Purchase Agreement (“Maine PPA”) for one or more Maine Buyer(s), which each Party believes would be in the interest of electricity customers in Maine; and

**WHEREAS**, the Parties believe that direct power supply benefits of the Project that are provided to one or more entities located in Maine for a term of twenty (20) years are material in demonstrating a substantial public benefit of the Project to the citizens of Maine; and

**WHEREAS**, these benefits are in addition to the substantial other benefits of the Project to the state of Maine and to the New England region; and

**WHEREAS**, these benefits are also in addition to the HQUS’s commitment of \$170 million in support of rate relief and investment in heat pumps, electric vehicle infrastructure and broadband for the benefit of the state of Maine and its citizens; and

**WHEREAS**, these benefits are also in addition to HQUS’s commitment to begin payments of the \$170 million earlier than initially committed, to be reviewed by the Maine Public Utilities Commission, and these payments will help the state recover from the economic repercussions of the current pandemic; and

**WHEREAS**, the State seeks to lower the cost of energy to consumers in this State, while providing for reliability and diversity of energy sources; and

**WHEREAS**, the Parties have reached agreement on the framework for the negotiation of a Maine PPA, as and subject to the terms set forth below;

**NOW, THEREFORE**, in consideration of these promises and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to negotiate in good faith a Maine PPA, on the basis of the following terms and conditions, as they may be modified in the course of the negotiations:

1. **Terms:** The term of the Maine PPA shall commence on the New England Clean Energy Connect Project’s commercial operation date (“NECEC COD”) and continue for a period of twenty (20) years from NECEC COD.
2. **Maine Buyer(s):** No later than December 31, 2021, the GEO will identify one or more Maine Buyers that will be the buyer of (a) a designated Volume of energy; and (b) a designated delivery period under the Maine PPA, subject to the following conditions:
  - i. The Maine Buyer shall accept the terms and conditions of the Maine PPA and agree to be bound by the terms of the Maine PPA;

- ii. The Maine Buyer shall be selected based upon creditworthiness, legal authority to enter and perform the obligations under the Maine PPA, and ability to ensure financial benefits for Maine retail energy customers.
3. **Volume:** 500,000 MWh per year, subject to the following conditions:
  - i. the NECEC transmission line shall have a capacity of 1,200 MW on NECEC COD;
  - ii. if the NECEC transmission line has a capacity of more than 1,090 MW but less than 1,200 MW on NECEC COD, the energy quantity shall be reduced on a pro rata basis; and
  - iii. if the NECEC transmission line has a capacity of 1,090 MW or less on NECEC COD, then the Maine PPA shall be terminated.
4. **Delivery Point:** The delivery point shall be the southern terminus of the transmission line at Larrabee Road substation in Lewiston, Maine, but HQUS will be allowed to make reasonable use of an alternative delivery path for a portion of the energy as needed.
5. **Product:** Hydroelectric energy from Hydro-Québec Production resources located in the province of Québec. For avoidance of doubt, the Maine PPA shall be an energy only transaction.
6. **Contract Price:** The Contract Price for energy shall be the Index Price (as defined below) minus four dollars US per MWh (US\$4.00/MWh). In the event that the Index Price is negative during an hour, Seller shall be under no obligation to deliver energy during such hour. The term “Index Price” shall mean the ISO-NE Day-Ahead Locational Marginal Price at the Larrabee Road substation.
7. **Commitment to Negotiate Maine PPA in Good Faith:** The GEO and HQUS commit to negotiate in good faith a definitive Maine PPA with one or more Maine Buyers. The Parties acknowledge that binding terms with respect to the Maine PPA will be established only upon execution of a Maine PPA.

If the Parties fail to finalize the Maine PPA before December 31, 2021, the obligation of the Parties to enter into a definitive Maine PPA shall be terminated and HQUS shall have a binding obligation to pay twenty (20) installments of \$2,000,000 each, for a total of \$40,000,000, payable on NECEC COD and each of the nineteen (19) anniversaries thereof to an entity designated by the GEO to ensure benefits for Maine retail energy customers. For avoidance of doubt, HQUS obligation hereunder are subject to and conditioned upon the occurrence of NECEC COD.

8. **Terms and Conditions:** Contract terms of the Maine PPA shall reflect typical terms and conditions for long term power sale arrangement. The Maine PPA shall also include a provision whereby HQUS will provide a first priority perfected pledge of the revenues under the Maine PPA for the purpose of securing HQUS’s obligation to provide \$170 million in support of rate relief and investment in heat pumps, electric vehicle infrastructure and broadband for the benefit of the State of Maine and its citizens.

9. **Governing Law:** THIS COMMITMENT AND ANY DISPUTE OR CLAIM OF WHATEVER NATURE ARISING OUT OF OR IN CONNECTION THEREWITH SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MAINE.

**IN WITNESS WHEREOF**, each of the Parties has caused this commitment to be executed by their respective, fully authorized representatives.

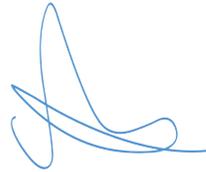
Governor's Energy Office of the State of Maine



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Dan Burgess  
Director

H.Q. Energy Services (U.S.) Inc.



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Martin Imbleau  
President and Chairman of the Board