

### Definitive Energy Access Agreement

*Purpose* - to provide NS Power with the right to access “Market-priced Energy” from Nalcor.

*Parties* - Nalcor, Emera, NS Power.

*Term* - From execution of the Agreement until August 31, 2041.

### Key Terms

#### *Available Energy*

- Nalcor will make available to NS Power energy that is surplus to its native load requirements (calculated as NL generated energy minus native load requirements, and capped at 1.8 TWh per year) (“**Available Energy**”).
- On a monthly basis, Nalcor will provide forecasts of its Available Energy for the following 24 months (“**Nalcor Forecasts**”), broken down by on-peak and off-peak availability per month.

#### *NSPI Solicitations*

- By no later than June 15 of each year, NSPI may, at its option, make a competitive solicitation for the supply of energy for the forthcoming yearly period from September 1 to August 31 (the “**NSPI Solicitations**”).
- Nalcor is obligated to bid into the NSPI solicitation at amounts not less than the Available Energy amounts specified in the most recent Nalcor Forecast.
- Pricing for such bids cannot exceed the greater of (i) the Mass Hub Day-Ahead price for the hour of delivery, and (ii) any other spot-market pricing that Nalcor can demonstrate that it can obtain for such Energy, in either case less transmission tariffs, losses and other associated costs that would have been incurred to deliver the energy to such market (but excluding existing long-term transmission reservation costs).
- NS Power may, but is not obligated to, accept Nalcor bids.
- Energy characteristics –
  - Available Energy supplied under the Agreement is an energy-only product (without capacity or GHG credits) and is for end-use consumption by NS Power.
  - At any time prior to actual scheduling may be postponed by Nalcor, provided that Nalcor redelivers postponed energy within 365 days of the postponement and at times and in quantities that results in the energy having similar economic value to NS Power.

## Energy Access Agreement - Summary

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- At any time prior to scheduling, delivery of the energy is subject to “forgivable events” (including native load requirements in NL, hydrology in NL, force majeure, forced outages and other system conditions) but must be made up later.
- Energy is scheduled on a day-ahead basis, with minimum and maximum available energy quantities set out by Nalcor in a rolling four week schedule.

### *The “Commitment” and the “Variance”*

- Nalcor commits to making, on average, at least 1.2 TWh of Energy available to NS Power per contract year over the life of the contract (the “**Commitment**”).
- On an annual basis, Nalcor will provide a progress report on its ability to deliver the Commitment over the term (“**Progress Reports**”). The Progress Reports are subject to confidentiality restrictions.
- If it appears that there will be a shortfall in the Commitment over the term of the Agreement (a “**Variance**”), Emera and Nalcor each agree to bid energy into the NSPI Solicitations to make up the Variance.
- In respect of the Variance, Emera is responsible for the first 300 GWh per contract year, Nalcor is responsible for the balance of the Variance.

### *Wind or Other Variable Generation / Balancing Services*

- NS Power, first, or Emera, second, may elect to build or contract “wind generation”\* facilities to address the Variance. If (i) NS Power elects to build the wind generation or (ii) Emera builds wind generation and enters into a PPA with NS Power, the Variance obligation of Emera is reduced by the amount of energy supplied by the wind generation/ PPA. (\*“Wind generation” could also be solar, tidal or other intermittent generation).
- If either or both of NS Power and Emera exercise the wind generation option, Nalcor will provide balancing services for up to 100 MW pursuant to a balancing service agreement (the form of balancing service agreement is attached as a schedule). The annual fee payable for balancing services is \$87,600/MW adjusted by CPI. The term of the balancing service agreement would be for 25 years from the in-service date of the generation.

### *Master Power Purchase Agreement*

- The purchase, sale and delivery of energy pursuant to the Energy Access Agreement will be governed by a power purchase agreement attached as schedule to the Agreement and based on the EEI standard form Master Power Purchase Agreement.