

[Month]____, 2019

[Customer Contact Name]
[Customer Contact Title]
[Customer Name]
[Customer Address]
[City], WI [Zip Code]

Re: Non-Binding Term Sheet / [Customer Name] Participation in Dedicated Renewable Energy Resource Pilot

Dear [Contact First Name]:

Wisconsin Electric Power Company ("WEPCO") is pleased to have the opportunity to work with the [Customer Name] (the "[Shortened Name]") to participate in the "Dedicated Renewable Energy Resource" Pilot Program (the "Proposed Transaction"), as identified on the attached Term Sheet (the "Term Sheet").

The Term Sheet is a non-binding summary of the key elements of the Proposed Transaction. By executing the Term Sheet, each party agrees to pursue the Proposed Transaction in good faith and expend the necessary time and resources to complete the definitive agreement (Dedicated Renewable Energy Resource Service Agreement).

Neither party is obligated to enter into any agreement or to proceed with the Proposed Transaction. Any obligations other than those explicitly agreed to herein will arise only in accordance with, and subject to, such definitive agreement as may be executed by WEPCO and the [Customer Name].

Finally, the parties will agree on marketing related to the Solar PV System.

If this is acceptable to you, please sign and return to me one copy of this letter confirming approval of the Term Sheet. We look forward to working with you on this exciting project.

Sincerely,

Wisconsin Electric Power Company

By: _____
Name:
Title:

CONFIRMED AND AGREED TO:

[Customer Name]

By: _____
Name:

Title:

TERM SHEET

A non-binding summary of the terms and conditions of the proposed Dedicated Renewable Energy Resource Service Agreement between [Customer Name] and WEPCO (the “Proposed Transaction”) is set forth below.

Utility	Wisconsin Electric Power Company, or its designee (“ WEPCO ”)
Customer	[Customer Name] (the “[Shortened Customer Name]”)
Customer Participation Level in DRER	[Customer] is interested in subscribing to the following nameplate capacity values of Wisconsin-based utility-scale renewable energy projects (“Renewable Facility/(ies)”) under the Dedicated Renewable Energy Resource Pilot: Solar*: [] MW Wind: [] MW *The utility scale solar projects will consist of single axis tracking rack systems.
Utility –Scale Renewable Energy Projects	Upon receiving sufficient subscription commitments from customers via executed term sheets for the DRER pilot, WEPCO will work to secure or develop projects to provide the necessary generating capacity. WEPCO will endeavor to secure or develop such projects so as to optimize the applicable tax credits (e.g, Investment Tax Credits and Production Tax Credits) and related economics to participating customers.
Dedicated Renewable Energy Resource Service Agreement	[Customer] will enter into a Service Agreement with WEPCO for a 20 year term (“ Term ”) to subscribe to a specific portion of Wisconsin-based, utility-scale renewable energy projects. The Service Agreement must be filed with and approved by the Public Service Commission of Wisconsin.
Operation and Maintenance;	During the Term, WEPCO will be solely responsible for operating and maintaining the Renewable Facility(ies). WEPCO will either self-maintain the Renewable Facility(ies) or enter into an operations and maintenance agreement with a qualified third party provider (the “ O&M Agreement ”).
Expenses	Each party agrees to pay its own expenses in connection with the

	<p>negotiation and execution of the Dedicated Renewable Energy Resource Service Agreement required to implement the Proposed Transaction ("Project Agreement"), whether or not these documents are executed and delivered by the parties.</p>
<p>Rates for Electric Service</p>	<p>[Customer] acknowledges that upon executing the Service Agreement, they will continue to receive and be billed for electric service under its applicable tariff as they did prior to execution of the Service Agreement.</p>
<p>DRER Subscription Fee</p>	<p>[Customer] acknowledges that as part of its participation in the Dedicated Renewable Energy Resource Pilot, they will be contractually obligated to make monthly payments related to the Renewable Resources.</p> <p>[For Non-Tax Paying Entities: These monthly payments will be based on a fixed rate ("DRER Rate") for every Megawatt Hour (MWH), or fraction thereof, generated by the Subscribed Renewable Facility(ies). The DRER Rate will include the following components during the term of the Service Agreement: (1) Depreciation of the Renewable Facilities, (2) WEPCO's return on invested capital for the Renewable Facilities and (3) Operations & Maintenance Costs of the Renewable Facility(ies).</p> <p>For a subscription to a utility scale solar project, using indicative pricing from similar projects, the expect rate will be \$ 0.061 / kwh produced which is estimated to result in average annual payments of \$ 125,337 for each 1 MW of subscription.</p> <p>For a subscription to a utility scale wind project, using indicative pricing from similar projects, the expect rate will be \$ 0.034 / kwh produced which is estimated to result in average annual payments of \$ 116,096 for each 1 MW of subscription.]</p> <p>[For Tax Paying Entities: These monthly payments will be a fixed dollar amount (levelized for the term of the Service Agreement) and will include the following components during the term of the Service Agreement: (1) Depreciation of the Renewable Facilities, (2) WEPCO's return on invested capital for the Renewable Facilities and (3) Operations & Maintenance Costs of the Renewable Facility(ies).</p> <p>For a subscription to a utility scale solar project, using indicative pricing from similar projects, the estimated annual payments of \$ 125,337 for each 1 MW of a utility scale solar subscription and \$ 116,096 for a utility scale wind project.]</p>

<p>Energy Credit</p>	<p>[Customer] will receive an energy credit for the actual generation of the Renewable Facility(ies) for each 60 minute period multiplied by the settled market value of the produced energy less any Midcontinent Independent System Operator (“MISO”) charges established for a MISO pricing node.</p> <p>The settled market value location will be determined after the specific Renewable Facility(ies) is / are identified and will be included in the DRER service agreement.</p> <p>[Customer] acknowledges that its energy credit cannot exceed the customer’s actual energy consumption, for each 60 minute interval in the billing period, and that any excess generation above a customer’s load for a given 60 minute interval will be provided to non-participating customers at no cost.</p>
<p>Renewable Energy Attributes</p>	<p>[Customer] will receive all Renewable Energy Credits for the term of the Dedicated Renewable Energy Resources Service Agreement.</p>
<p>Capacity Credit</p>	<p>[Customer] will receive a capacity credit that will be equal to the amount of accredited capacity for the Renewable Facility(ies), as accredited by MISO multiplied by the Cost of New Entry (CONE), as calculated by MISO.</p> <p>If a service agreement is executed between prior to June 1, 2019 the CONE value to be used for the term of the service agreement will be \$ 88,500 / MW Year. If a service agreement is executed between June 1, 2019 and May 31, 2020 the CONE value to be used for the term of the service agreement will be \$ 87,170 / MW Year.</p> <p>[Customer] acknowledges that the capacity credit will be limited to its billed maximum demand and will be credited each month in one-twelfth (1/12th) of the annual amount.</p>
<p>Termination Rights</p>	<p>Nothing in this Term Sheet requires either party to conclude the Proposed Transaction or any portion thereof. Either party may terminate this Term Sheet effective immediately upon written notice to the other party for any reason. Unless mutually agreed to in writing by both parties, this Term Sheet shall automatically terminate on _____, 2019.</p>
<p>Parties’ Relationship</p>	<p>Neither party or any of their respective affiliates shall be deemed to be partners or members of a joint venture with each other, nor shall either</p>

	party, be deemed to be an agent, representative, trustee or fiduciary of the other as a consequence of the execution of this Term Sheet.
Counterparts	This Term Sheet may be executed and delivered in electronic form, such as PDF/electronic mail or facsimile, and in counterparts, each of which counterpart shall be deemed to be an original, but all of which together shall constitute one document.
Governing Law	This Term Sheet shall be governed by and construed in accordance with the laws of the State of Wisconsin without giving effect to principles of conflicts-of-laws.