DANVILLE CITY COUNCIL WORK SESSION AGENDA

MUNICIPAL BUILDING

September 6, 2022

7:30 P.M.

MEETING CALLED TO ORDER

MINUTES

A. Consideration of Approval of Minutes of Regular Work Session held on August 2, 2022.
Council Letter Number CL - 2839.

WORK SESSION ITEMS

A. Review of the Design Concept for the Old West End Commons Park Area.
Council Letter Number CL - 2817.

B. Consideration of Approving and Authorizing the Release of City-Held Liens Against Real Property Identified as Parcel #20165 Stokes Street.
Council Letter Number CL - 2814.

C. Consideration of Authorizing a Negotiated Lease Agreement wth Doc Brown, LLC.
Council Letter Number CL - 2834.

D. Consideration of Authorizing the Execution of the 2022 Locust Ridge Wind Energy Schedule with American Municipal Power, Inc.
Council Letter Number CL - 2833.

PROGRAM UPDATE

Presentation on Information Technology Department
By: Inez Rodenburg

ECONOMIC DEVELOPMENT UPDATE

COMMUNICATIONS FROM

A. City Manager

B. Deputy City Manager

C. City Attorney

D. City Clerk

E. Roll Call

CLOSED MEETING

As Permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion or consideration of the acquisition of real property or of the disposition of publicly held real property.

As Permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion concerning a prospective business or industry related to economic development.

A. Motion to Convene in Closed Meeting
B. Motion to Reconvene in Open Meeting
C. Motion to Certify Closed Meeting

ADJOURNMENT

Council Letter
City of Danville, Virginia

CL-2839 **Meeting Minutes A.**

Work Session Meeting

Meeting Date: 09/06/2022

Subject: Consideration of Approval of Meeting Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Work Session: 09/06/2022

SUMMARY

Consideration of Approval of Minutes of Regular Work Session held on August 2, 2022.
Council Letter Number CL - 2839.

Attachments

Meeting Minutes

August 2, 2022

A Regular Work Session of the Danville City Council convened on August 2, 2022, at 7:58 p.m. in the Conference Room located on the Fourth Floor of the Municipal Building. Council Members present were: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9).

Staff Members present were: City Manager Ken Larking, Deputy City Manager Earl B. Reynolds, Jr., City Attorney W. Clarke Whitfield Jr., and City Clerk Susan M. DeMasi.

Mayor Jones presided.

MINUTES

Upon **Motion** by Council Member Buckner and **second** by Council Member Campbell, Minutes of the Regular Work Session held on July 5, 2022 were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

WORK SESSION ITEMS

CONSIDERATION OF AUTHORIZING THE EXECUTION OF A PERMANENT UTILITY EASEMENT IN PITTSYLVANIA COUNTY

Council had no questions or comments and agreed to put this item on an upcoming business meeting agenda.

CONSIDERATION OF APPROVING AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A PURCHASE POWER AGREEMENT FOR TWENTY MEGAWATTS OF SOLAR ENERGY

Council had no questions or comments and agreed to put this item on an upcoming business meeting agenda.

CONSIDERATION OF APPROVING THE PURCHASE AND ACQUISITION OF THE PAGE ROAD PUMPING STATION FROM PITTSYLVANIA COUNTY

Council Member Saunders questioned this item and Director of Utilities, Jason Grey, explained this was a County owned pumping station beside the City owned water tank. The City needs to purchase it in order to be able to pump water to the Berry Hill site, to have water on the north side. Mr. Saunders questioned if the Pittsylvania County Service Authority was inactive now, and Mr. Grey explained it was a department under Pittsylvania County, it was not a separate authority.

APPOINTMENTS

Vice Mayor Miller noted the Committee on Appointments met earlier this evening and make the following recommendations:

Commission of Architectural Review:	Reappoint:	Jackson Weller
		Sonja Ingram
		Robert Weir
	Appoint:	Karl Almquist

Community Improvement Council Reappoint: Tyrell Payne

Council agreed to put this on an upcoming Business Agenda.

PROGRAM UPDATES

Presentation: City of Danville Utilities
Presented by: Jason Grey, Director of Utilities.

Mr. Grey reviewed his PowerPoint presentation *Utilities Update*, explaining the City receives power from a few sources. Prairie State was a coal plant with its own coal mine next to the coal fire generation plant; most of the City's power comes from that facility. There were some carbon legislation goals that it has to meet by 2037 to continue operations. AFEC was a natural gas plant that only dispatches based on economics; if the price of natural gas was not advantageous, it did not operate. The City also has renewables, hydro and solar. Dr. Miller questioned that at one time the state of Illinois was going to try and close that plant, did that legislation fail and Mr. Grey noted it passed. They have to meet a 50% reduction in carbon emissions at Prairie State by 2037; there were some projects that they were working on to meet those goals. Mr. Grey noted looking to 2024, the City was growing and bringing new industry into the community. That Market exposure was growing from 11% to 17%, almost 18% and the City's needs were growing as far as making purchases for power supply. The AMP project that City Council reviewed for 20 megawatts, that will reduce that exposure by 5%; it was a great benefit having another renewable source in their portfolio.

Mr. Grey explained the City's energy totals track by month and he believes it will grow by approximately 10% in the next few years with the new industries; it will be over 1M megawatt hours every year. With regard to the price of electricity, between 2011 and 2021, the City had a period of very low cost of power; the market prices were in the $30 to $40 range, but over the past six months, they have increased. The City wants to be able to hedge their risk going forward, because the market prices have been creeping up. Another concern was the increase in transmission rates; in 2014 the City was paying $2.50 per KW, which equals about $6M a year; this year, the City was paying over $10 per KW, or $24M per year.

Mr. Vogler stated he knew everything was going up, but what was causing the increase in transmission rates, especially from 2019 to the present. Mr. Grey explained that increase was from the tax reform bill that was passed in 2019 where private companies had to pay back some of their benefits from their lower tax percentage bracket. It was also going up because of grid reliability, more investments going into transmission and grid reliability. Back in 2003 there was a massive blackout in the northeast, in New York City, they don't want to see those events again. Dr. Miller asked what has Appalachian Power done to make sure it doesn't happen again and Mr. Grey stated they have added additional layers of contingencies in order to prevent failures. This comes with a cost, that cost continues to go up and has to be passed on to the consumer. Mr. Grey noted it does look like that trend was slowing down slightly.

Mr. Vogler noted he was glad Mr. Grey mentioned the infrastructure improvements that were being made but also legislation outside of anything the City does, that was having a significant impact on what citizens were having to deal with. It was important for the consumers to know that sometimes a large portion of this was out of the City's hands; it was exterior factors that cause it and the City was just doing the best they could to minimize that impact on the customers. Mr. Grey noted that was correct and they do have representation in the State and Washington; this was a FERC issue, a federal issue. In response to Reverend Campbell, Mr. Grey explained the battery storage facility would help save costs to citizens during peak times; if they can reduce their transmission peak in the City, it will save the amount the battery provides. Mr. Vogler questioned what can the City do to lower their projected increase in reliance on the market, to lower that percentage and Mr. Grey noted the AMP Solar Project which was reviewed by Council this evening, will lower that 17% by 5%. In addition to that, the City can purchase energy blocks for the winter and summer months to hedge their risk. Mr. Larking stated the cost of the solar power was much lower than the market rate; for the customer, that means lower costs to them because the City passes along what they pay, to the customers. Not only was it a renewable source of energy, it was also a cost effective strategy for the customers.

Mr. Grey explained they can also look at strategizing making hedges further out. Energy prices going out to 2024 and further were more normal; they were not affected by the current situations where prices were higher because of the transition from fossil fuels to renewables, and the events in Europe. There was a lot of natural gas going to Europe which was raising the energy prices in the US. Looking out three to five years, the City can make purchases which will benefit their customers. Staff was looking at a September 14th ribbon cutting for the battery project; it was 90% complete, they were just waiting for the batteries to come from China. Mr. Grey noted they were looking at future battery projects; with the energy bill going through Congress, there may be some more energy investment tax credits associated with battery storage.

On the consumer side, they were looking at a Smart Thermostat program where the City incentivizes the customer to join the program, getting a one-time incentive if they have a smart thermostat that would pre-cool the house before the peak and then raise the temperature during peak. The City also has time of use rates that would go into effect this month, that were optional for residential customers. Approximately 19% of the total hours were on peak and 81% were off peak, and they do not include weekends or holidays; they were considered off peak.

Mr. Grey noted on the Water side, they were looking to replace about 150 miles of cast iron water mains utilizing the Virginia Department of Health's revolving grant program. Staff has submitted an application for this year for six miles; hopefully they will hear back in September or October. Mr. Saunders questioned the gas lines and understood they were replacing those as well, what else does the City have underground that citizens needs to be concerned about and Mr. Grey noted sewers would be the only thing that came to mind other than the water and gas lines. Mr. Saunders questioned the 50/50 VDH grants, how much money was involved and Mr. Grey noted they applied for $6M, so $3M of the City's Utility Funds and $3M grant funds; that was in this year's budget.

Staff wanted to tie the Schoolfield Reservoir Project on Park Avenue into the Water Plant; they have reviewed three different options, and likely the preferred option was Option #3, going alongside Ballou Park, to bring water down to the Water Plant. It was a three day storage reservoir, that if the City ever had anything happen on the Dan River, they could go to the reservoir, pull water and be fine for three days, plus whatever the City had in its treated system. Staff also applied through the VDH program for grant funding, it would be eligible for the 50/50 grant funds. Mr. Grey noted on the Gas System Expansion for Economic Development, the City has some fifty year old iron gas mains on Goodyear Boulevard and Gypsum Road, some of the City's biggest gas customers. Staff was finalizing a grant application that was due on Monday for a 100% grant which was part of the Federal Infrastructure Program; it was a $10M project. It would be a three phase project to change to steel pipelines and also gives the capacity needed for the Coleman Property for Economic Development.

On the Electric Side, the City has replaced five substations in the past three years, updated the equipment, the relays, and the breakers. They have two under construction currently, the Southside Substation near DCC and Westover, in the Westover Community. Those projects should be done in September; following that they will go to the Ballou Substation located by the Caesars project, a fourth delivery point with AEP at the Brosville location, and expanding the Airside Substation on the east side for additional capacity due to growth in that area. Mayor Jones noted the citizens' concerns with regard to power outages, will this help with that. Mr. Grey explained because the transformers were thirty years or younger, that will improve reliability. Most of the outages were for one of three reasons: car accidents, trees and animals. Mr. Larking stated as a Utility, they were balancing reliability and cost for the customer; the more reliable the system was, the more the City had to invest in items like substations, right of way maintenance and other upkeep of the equipment. The more redundancy in the system, the more has to be invested in the reliability, the higher the cost. Mr. Saunders questioned the lifespan of this equipment, how do they forecast and Mr. Grey noted a substation transformer was 35-40 years, a water main was 50-60 years, that can be pushed a little bit further with the right conditions, and gas mains were similar. Electrical infrastructure seems to have more turnover than water and gas.

Mr. Grey noted the last projects he wanted to mention were various reliability projects. The City has contractors that do infrared scanning to look for hot spots so the City can tackle problems before they happen. One project they have underway was looking at various areas where they have had reliability issues; one section they put underground eliminated a four span overhead section that had a lot of reliability issues. Mr. Vogler asked if they were looking at potentially more spots that they could put wires underground, places where trees were constantly falling and Mr. Grey noted they were, where they have had known problems. Mr. Grey stated the cost of underground lines was about three times the cost of overhead lines, but there were not reoccurring maintenance costs of right of way trimming and inspections.

Mr. Grey noted he wanted to pass along a message; their employees were proud of the work they have done and wanted to thank Council for the support Council has given them. Mr. Larking questioned Mr. Grey about some of the American Rescue Plan Act funds that were designated to help improve the energy efficiency of some homeowner occupied properties throughout the City. Mr. Grey explained they designated some money from the ARP to help low income household owners replace HVAC equipment where they wouldn't have the means to do so, as well as insulation. This will help their utility costs by not using as much energy as they have in the past, and their energy costs will go down significantly. It was a great program, unfortunately, the supply chain issues have caught up with the City but they were trying to get through that. They were working with DRHA, as well as Social Services and Community Development.

CLOSED MEETING

At 8:32 p.m., Vice Mayor Miller **moved** that this meeting of the City Council of the City of Danville, Virginia be recessed and that Council immediately reconvene in a Closed Meeting for the following purposes: discussion or consideration of the acquisition and/or disposition of real property for a public purpose where discussion in an open meeting would adversely impact the bargaining position of the City as permitted by Subsection A(3) of Section 2.2-3711 of the Code of Virginia, 1950 as amended, and more specifically to consider a discussion regarding the sale and/or potential purchase of a specific parcel of property for use by prospective industrial, commercial, and mixed use projects looking to locate in the City; and an Economic Development discussion and update concerning a prospective business or industry where no previous announcement has been made and/or the expansion of an existing business or industry where no previous announcement has been made as permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended and more specifically to consider: an update on multiple prospective commercial, mixed use, hospitality, and industrial projects considering locating within the City and/or locating within the region in cooperation with the City's regional partners.

The Motion was **seconded** by Council Member Buckner and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller, Saunders, Vogler and Whittle (9)
NAY: None

Upon unanimous vote at 9:14 p.m., Council reconvened in open session and Vice Mayor Miller **moved** for adoption of the following Resolution:

CERTIFICATE OF CLOSED MEETING

WHEREAS, the Council convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.1-344.1 of the Code of Virginia, 1950, as amended, requires a Certification by the Council that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Council hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements of Virginia Law under Section 2.2-3711 were heard, discussed or considered, and (ii) only such public business matters as were identified in the Motion by which the Closed Meeting was convened were heard, discussed or considered by the Committee.

The Motion was **seconded** by Council Member Mayo and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller, Saunders, Vogler and Whittle (9)
NAY: None

MEETING ADJOURNED AT 9:15 P.M.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter
City of Danville, Virginia

CL-2817 **Work Session A.**

Work Session Meeting

Meeting Date: 09/06/2022

Subject: Review of Old West End Commons Area Plan

From: Kenneth C. Gillie, Jr., Community Development Director

COUNCIL ACTION

Work Session: 09/06/2022

SUMMARY

Staff will review with Council, the design concept for the Old West End Commons park area located between Pine Street and Jefferson Avenue.

BACKGROUND

The City has been working on the redevelopment of vacant space between Pine Street and Jefferson Avenue. The area is vacant, covered in Kudzu, and is located behind the homes on Pine Street and Jefferson Avenue. The City has hired McGill Consulting to do a conceptual design for a passive recreation area. The design includes a paved pedestrian path connecting Pine and Jefferson, sitting areas, a shelter and lawn space for small gatherings.

RECOMMENDATION

No Council action is needed at this time.

Attachments

Design

OLD WEST END COMMONS - CONCEPTUAL DESIGN

CITY OF DANVILLE, VIRGINIA

Council Letter
City of Danville, Virginia

CL-2814 **Work Session B.**

Work Session Meeting

Meeting Date: 09/06/2022

Subject: City Releasing Existing Tax Liens on Parcel 20165

From: W. Clarke Whitfield, Jr., City Attorney

COUNCIL ACTION

Work Session: 09/06/2022

SUMMARY

City Staff is seeking approval from City Council to release two nuisance abatement liens, and associated costs and delinquencies affecting one parcel of land on Stokes Street to facilitate its donation to a new owner for use as a non-profit community garden.

BACKGROUND

The City currently holds approximately $18,570.00 in nuisance abatement liens and associated collection costs and interest against one Parcel on Stokes Street near its intersection with Jefferson Street, identified as Parcel #20165. The liens and costs greatly exceed the market value of the Parcel, which is presently assessed at $800.00.

The nuisance abatement liens relate to the board-up and later demolition of a house previously located on the Parcel that was severely damaged in a house fire. The present owner of the Parcel lacked adequate insurance coverage, is elderly, and has no other financial assets to recover against. The owner has arranged a potential donation of the Parcel to the New Bethel Baptist Church which hopes to establish and operate a non-commercial Community Garden upon the Parcel. Partnering with local non-profits to reutilize vacant lots as non-commercial Community Gardens furthers the City's goals of blight eradication, promoting healthy outcomes to eliminate food scarcity, and encouraging the productive use of real property. The donation is dependent upon the City releasing the recorded nuisance abatement liens and associated costs to allow clear title to transfer.

Under State law, City Council can release nuisance abatement liens to facilitate the transfer of an otherwise unmarketable lot. City Staff has determined that releasing the outstanding nuisance abatement liens to facilitate the property transfer would be of benefit to the City by eliminating likely future maintenance costs, increasing the taxable value and productive use of the Parcel, and increasing the availability of healthy food in the community.

RECOMMENDATION

City staff recommends releasing existing liens and associated collection costs and interest affecting Parcel #20165, contingent upon the actual transfer of the Parcel and the inclusion of a recorded Deed Restriction and the time of transfer that the Parcel may only be used as a non-commercial Community Garden for a period of no less than five (5) years.

Attachments

Resolution

PRESENTED: ______________________

ADOPTED: ________________________

RESOLUTION NO. 2022-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE RELEASE OF CITY-HELD LIENS AGAINST REAL PROPERTY IDENTIFIED AS PARCEL #20165 STOKES STREET TO FACILITATE ITS TRANSFER TO NEW BETHEL BAPTIST CHURCH FOR USE AS A COMMUNITY GARDEN.

WHEREAS, The City of Danville, since 2020, in furtherance of its duty to protect the health and safety of the community, has recorded two (2) liens total at the Circuit Court against Parcel #20165 Stokes Street for nuisance abatement services which along with interest and associated collection agency fees valued at approximately $18,570.00; and

WHEREAS, the city-held liens greatly exceed the tax assessed value of Parcel #20165, making the lot presently unmarketable; and

WHEREAS, the present owner of this Parcel desires to convey the property to the New Bethel Baptist Church, to facilitate its use and operation of a community garden upon the property; and

WHEREAS, given the size and location of this Parcel it is likely that future City abatement services will be required absent a transfer to a new owner and the transfer of such lot to a non-profit furthers the goals of the City of Danville; and

WHEREAS, under Va. Code § 15.2-906(4) a locality may release such liens and costs against a particular property in order to facilitate its sale or transfer to an unrelated, bona fide purchaser.

NOW THEREFORE, BE IT RESOLVED, by the City Council of Danville, Virginia, that all delinquent taxes, abatement charges, City-held liens, and associated collection agency fees recorded in the Danville Circuit Court Clerk's Office against Parcel #20165 Stokes Street be, and are hereby, released to facilitate its transfer to the New Bethel Baptist Church, provided such transfer actually occurs and the New Bethel Baptist Church agrees to be bound by a deed covenant to use such property for the exclusive purpose of operating a non-commercial community garden for no less than five (5) years.

APPROVED:

____
Mayor

ATTEST:

____
City Clerk

Approved as to
Form and Legal Sufficiency:

____
Assistant City Attorney

Council Letter
City of Danville, Virginia

CL-2834 **Work Session C.**

Work Session Meeting

Meeting Date: 09/06/2022

Subject: Consideration of Approval of a Franchise Agreement with Doc Brown LLC

From: W. Clarke Whitfield, Jr., City Attorney

COUNCIL ACTION

Work Session: 09/06/2022

SUMMARY

Doc Brown, LLC, a subsidiary of Delorean Power is seeking a non-exclusive franchise agreement with the City allowing for the installation of commercial energy storage facilities, including battery technology, on city-owned property located at 864 Monument Street.

BACKGROUND

Danville Utilities is seeking to enter into a franchise agreement for the installation, placement, and operation of commercial energy storage facilities, including battery technology, on city-owned property located at 864 Monument Street. Such facilities would be utilized to store surplus energy generation for later use by Danville Utilities during peak power periods to reduce energy purchase costs for Danville Utilities customers.

Under the Virginia Constitution, the granting of any lease or franchise to use public property exceeding five (5) years must be approved by City Council after a public hearing in which other interested parties may submit competing offers to the franchise sought.

Granting the attached franchise agreement will permit Doc Brown, LLC to install, place, and operate commercial energy storage facilities, including battery technology, at 864 Monument Street for use by Danville Utilities, provided they abide by all the negotiated terms and conditions. Installing these proposed energy storage facilities will reduce dependence on purchased energy generation during peak periods of energy consumption, and will do so in a manner that protects City involvement in the siting and installation process and lowers energy costs ultimately passed through to customers within the City.

RECOMMENDATION

Staff recommends the approval of the attached franchise agreement and the granting of a franchise to Doc Brown, LLC for the installation of commercial energy storage facilities, including battery technology, on city-owned property located at 864 Monument Street, subject to the terms and conditions contained within the agreement.

Attachments

Ordinance

Agreement

PRESENTED: ____________________

ADOPTED: ______________________

ORDINANCE NO. 2022-____.____

AN ORDINANCE APPROVING AND AUTHORIZING A NEGOTIATED LEASE AGREEMENT WITH DOC BROWN, LLC FOR THE INSTALLATION AND OPERATION OF COMMERCIAL ENERGY STORAGE FACILITIES AT 864 MONUMENT STREET.

WHEREAS, the City of Danville has authority to grant leases upon City-owned property for public purposes subject to approval by City Council; and

WHEREAS, Doc Brown, LLC, provides commercial energy storage services in the Commonwealth of Virginia, and has requested a lease with the City for the installation of commercial energy storage facilities, including battery technology, upon a portion of City-owned property identified as 864 Monument Street in the City of Danville; and

WHEREAS, the Danville Utilities has negotiated an agreement with Doc Brown, LLC, to install such commercial energy storage facilities upon the property located at 864 Monument Street in the City under the terms and conditions substantially in the form attached hereto and further identified as the “Agreement”.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that pursuant to Virginia law, the City grants a lease to Doc Brown, LLC, to occupy a portion of 864 Monument Street for the purpose of installing and operating commercial energy storage facilities under the terms and conditions more particularly set forth in the lease agreement, in the form substantially attached hereto and incorporated herein as **Exhibit A** (the “Agreement”); and

AND BE IT FURTHER ORDAINED, by the Council of the City of Danville, Virginia, that the City Manager, Kenneth F. Larking, be, and is hereby, authorized and directed to execute the Lease Agreement and to any other documents necessary to be executed or signed to complete this transaction.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

Assistant City Attorney

LEASE AGREEMENT

This Lease Agreement ("Agreement") effective as of _______________ (the "Effective Date") is by and between the City of Danville, Virginia, a municipal corporation of the Commonwealth of Virginia, having a mailing address of 1040 Monument Street, Danville, Virginia 24541 ("Landlord"), and Doc Brown, LLC, a Virginia limited liability company having a mailing address of c/o Delorean Power LLC, 1201 Wilson Boulevard, Arlington, Virginia 22209, its successors and assigns ("Tenant"). Landlord and Tenant are sometimes individually referred to as a "Party" and collectively as the "Parties."

RECITALS

A. Landlord is the owner of certain real property located at 864 Monument Street, Danville, Virginia 24541, the portion(s) of which that are subject to this Agreement are described in greater detail on Exhibit A hereto (the "Leased Premises");

B. The Parties have entered into (i) that certain Energy Storage Services Agreement dated on or about the date hereof (the "ESSA"), and (ii) each Interconnection Agreement for Battery Energy Storage Facility (collectively, the "Interconnection Agreement"), in each case in respect of the energy storage services to be provided by Tenant to Landlord thereunder; and

C. Tenant intends to use the Leased Premises and the other areas leased or granted to Tenant hereunder for the development, construction, installation, operation, and maintenance of the "Storage Facility" described in the ESSA (the "Energy Storage Facility").

AGREEMENT

Section 1. Lease and Grant of Easements. Landlord hereby leases to Tenant the Leased Premises, and grants to Tenant the easements specified herein (the "Easements"), upon and subject to the terms and conditions in this Agreement. Tenant shall have the quiet use and enjoyment of the Leased Premises and the Easements in accordance with and subject to the terms of this Agreement. Landlord further leases to Tenant the "Construction Area" (as depicted on Exhibit B) during the Construction Term (as defined in Section 3) of this Agreement for use as a staging area in connection with the development, construction, and the installation of the Energy Storage Facility (as defined in Section 2).

Section 2. Use of Leased Premises. During the Term of this Agreement, Tenant will have the exclusive right to use and occupy the Leased Premises and to exercise the other rights and privileges granted to Tenant herein, for purposes of developing, erecting, constructing, installing, operating, maintaining, repairing, replacing, removing and decommissioning the Energy Storage Facility.

Section 3. Term of Agreement.

3.1 Construction Term. The "Construction Term" shall commence on the Effective Date and shall terminate upon the date that the Energy Storage Facility is placed in service (the "Commercial Operation Date"). During the Construction Term, the Tenant may use and enjoy the Construction Area for purposes relating to the construction and installation of the Energy Storage Facility. Upon the expiration of the Construction Term, Tenant's right to use and occupy the Construction Area shall automatically cease, and Tenant's sole property rights hereunder during the remainder of the Term shall be the right to use and occupy the Leased Premises together with the Easements granted hereunder to construct the Energy Storage Facility. As soon as practicable following the expiration of the Construction Term, Tenant shall restore and landscape the Construction Area to substantially its condition as it existed immediately prior to the Effective Date, ordinary wear and tear excepted.

3.2 Operations Term. The "Operations Term" of this Agreement shall commence on the Commercial Operation Date and shall expire upon the twentieth anniversary of the Commercial Operation Date, unless extended as described below. The Construction Term and the Operations Term (including all renewals and extensions thereof) are together referred to as the "Term." The Operations Term shall automatically, without need for any action by either Party, be extended for successive one year periods in connection with any "Extension Term" occurring under (and as defined in) the ESSA.

3.3 Lease Year. The term "Lease Year," as used herein, shall refer to the period between the Commercial Operation Date and the one-year anniversary of the Commercial Operation Date, and each subsequent one-year period thereafter during the Term.

3.4 Decommissioning Period; Removal. Tenant shall have six months following the expiration of the Term or the earlier termination of this Agreement during which to decommission and remove the Energy Storage Facility from the Leased Premises, unless Tenant has elected to abandon the Energy Storage Facility in place following a termination of the ESSA arising out of a default by Landlord as described in Section 11(B) thereof. During this six-month period, Tenant shall have the right to use and occupy the Leased Premises and the Easement Areas (as defined in Section 11) solely for the purposes of decommissioning and removing the Energy Storage Facility from the Leased Premises. During the decommissioning term, Tenant shall restore and landscape the Leased Premises and the Easement Areas to substantially their condition as they existed immediately prior to the Effective Date, ordinary wear and tear excepted.

Section 4. Rent. The rent to be paid by the Tenant to the Landlord for the Term is $10.00, paid on or before the Effective Date.

Section 5. Ownership of Energy Storage Facility. Landlord shall have no ownership, lien or other interest in the Energy Storage Facility or any of its components; and Tenant may remove any or all components of the Energy Storage Facility at any time. No part of the Energy Storage Facility installed by Tenant on the Leased Premises shall be considered part of the Leased Premises or an improvement to real property; the Energy Storage Facility shall at all times be considered tangible personal property owned exclusively by Tenant.

Section 6. Taxes and Assessments.

6.1 Tenant shall pay all real and personal property taxes, assessments and charges, general and specific, that may be levied or assessed by reason of Tenant's use of the Leased Premises, Tenant's leasehold interest under this Agreement, or Tenant's use or ownership of the Energy Storage Facility installed on the Leased Premises (collectively, "Tenant Taxes"). Landlord represents and warrants that the Leased Premises are exempt from any taxes attributable to (a) improvements or facilities installed by Landlord or others (excluding Tenant) on the Leased Premises; (b) the underlying value of the Leased Premises; and (c) any and all other taxes and assessments pending or levied against the Leased Premises

6.2 Tenant shall have the right, in its sole discretion and at its sole expense, to contest by appropriate legal proceedings the validity or amount of any assessments or taxes for which Tenant is responsible under this Agreement.

Section 7. Indemnification.

7.1 Tenant Indemnification of Landlord. Tenant shall, from and after the Effective Date, defend, indemnify and hold harmless Landlord and Landlord's affiliates and their respective directors, officers, managers, members, shareholders, employees, representatives and agents from and against all loss, liability, damages, claims, proceedings, costs (including costs of defense and attorneys' and professionals' fees incurred in defense or incurred in enforcement of this indemnity), expenses, demands, suits and causes of action (all of the foregoing collectively referred to as "Liabilities") arising out of: (i) negligence or willful misconduct of Tenant, its agents, officers, directors, employees or contractors; or (ii) the material breach by Tenant of any of its obligations under this Agreement, except to the extent arising out of the negligence or willful misconduct of Landlord or material breach of this Agreement by Landlord.

7.2 Landlord Indemnification of Tenant. Landlord shall, to the maximum extent allowable by law, from and after the Effective Date, defend, indemnify and hold harmless Tenant and Tenant's affiliates and their respective directors, officers, managers, members, shareholders, employees, representatives and agents from and against all Liabilities arising out of: (i) negligence or willful misconduct of Landlord, its agents, officers, directors, employees or contractors; or (ii) the material breach by Landlord of any of its obligations under this Agreement, except to the extent arising out of the negligence or willful misconduct of Tenant or material breach of this Agreement by Tenant.

7.3 This Section 7 shall survive the expiration or termination of this Agreement.

Section 8. Tenant's Representations, Warranties and Covenants. Tenant represents, warrants and covenants to Landlord that:

8.1 Tenant's Authority. Tenant has the unrestricted right and authority to execute and deliver this Agreement. When signed by Tenant, this Agreement constitutes a valid and binding Agreement enforceable against Tenant in accordance with its terms.

8.2 Insurance. Tenant shall, at its expense, obtain and maintain throughout the Term, public liability insurance insuring Tenant and Landlord against loss or liability caused by Tenant's activities on the Landlord's Property under this Agreement, in an amount not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) in the aggregate, accident or incident, which has a commercially reasonable deductible.

8.3 Hazardous Materials. Tenant shall not violate, and shall indemnify Landlord against any violation by Tenant, of any federal, state or local law, ordinance or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any substance, material or waste which is now or hereafter classified as hazardous or toxic, or which is regulated under current or future federal, state or local laws or regulations (each such substance, material and waste "Hazardous Materials") in, on, under or about the Leased Premises. In conformance with the requirements of applicable law, Tenant shall clean up, remove, remedy and repair any soil or ground water contamination and damage caused by the release or disposal of any Hazardous Materials by Tenant in, on, under, or about the Leased Premises.

Section 9. Landlord's Representations, Warranties and Covenants. Landlord represents, warrants and covenants as follows:

9.1 Landlord's Authority. Landlord is the sole owner in fee simple of Landlord's Property, including without limitation the Leased Premises, the Construction Area and the Easement Areas, and has the unrestricted right and authority to execute and deliver this Agreement and to grant to Tenant the rights granted under this Agreement. When signed by Landlord, this Agreement constitutes a valid and binding Agreement enforceable against Landlord in accordance with its terms.

9.2 No Interference. Landlord's activities and any grant of rights Landlord makes to any person or entity shall not interfere with the Energy Storage Facility or Tenant's rights under this Agreement. Landlord shall ensure that the conditions at Landlord's Property do not interfere with the operation of the Energy Storage Facility.

9.3 Liens. As of the Effective Date, there are no liens, encumbrances, leases, mortgages, deeds of trust, security interests, licenses or other exceptions (collectively, "Liens") that would prevent, interfere with, frustrate or otherwise adversely affect the Energy Storage Facility or Tenant's rights under this Agreement.

9.4 Treatment of Liens; Third Party Rights. If at any time during the Lease Term, any Lien or any third party right is found, exists or is claimed to exist against the Leased Premises or Easement Areas or any portion thereof, that creates rights superior to those of Tenant (a "Landlord Mortgage"), Tenant shall be entitled to seek to obtain a Subordination and Non-Disturbance Agreement (defined below) from the holder of such Lien or such third party right (the "Landlord Mortgagee"), and Landlord shall use best efforts and diligence in helping Tenant obtain the same. Landlord agrees that any Landlord Mortgage granted by Landlord from and after the Effective Date in favor of or granted to any Landlord Mortgagee shall be subject to (i) this Agreement and all of Tenant's rights, title and interests created in this Agreement, and (ii) any and all documents executed or to be executed by and between Tenant and Landlord in connection with this Agreement; provided that at Landlord's request Tenant shall agree to execute a Subordinate and Non-Disturbance Agreement. A "Subordination and Non-Disturbance Agreement" shall mean an agreement between Tenant and/or any Leasehold Mortgagee (as defined below) and any Landlord Mortgagee that provides that such Landlord Mortgagee (i) subordinates such Landlord Mortgage to Tenant's interest under this Agreement, (ii) agrees not to disturb Tenant's possession or rights under this Agreement, (iii) agrees to provide notice of defaults under the Landlord Mortgage documents to Tenant and agrees to allow Tenant a reasonable period of time following such notice to cure such defaults on behalf of Landlord, and (iv) agrees to comply with such other requirements as may be reasonably required by Tenant to ensure the interests of Tenant are not interfered with. All Subordination and Non-Disturbance Agreements obtained by Landlord pursuant to this Section 9.4 shall be in a form reasonably acceptable to Tenant and shall be in a form that may be recorded following their execution.

9.5 Hazardous Materials. To the best of Landlord's knowledge, as of the Effective Date, there are no Hazardous Materials located on Landlord's Property and Landlord's Property has not been used for the generation, treatment, storage or disposal of Hazardous Materials, no underground storage tanks have ever been located on Landlord's Property nor are any underground storage tanks presently located on Landlord's Property. So long as this Agreement is in place Landlord shall not violate, and shall indemnify Tenant against any violation by Landlord of, any federal, state or local law, ordinance or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any Hazardous Materials, in, on, under or about Landlord's Property, including without limitation any such violation which may have occurred by Landlord or any other person prior to the Effective Date. Landlord's violation of the foregoing prohibition shall constitute a material breach and default under this Agreement and Landlord shall indemnify and hold harmless and defend Tenant from and against any claims, damages, penalties, liabilities or costs caused by or arising out of said violation. In conformance with the requirements of applicable law, Landlord shall clean up, remove, remedy and repair any soil or ground water contamination and damage caused by the release or disposal of any Hazardous Materials in, on, under, or about Landlord's Property.

9.6 No Litigation. Landlord is not a party to any, and to Landlord's best knowledge, there are no pending or threatened, legal, administrative, arbitral or other proceedings, claims, actions or governmental or regulatory investigations of any kind or nature whatsoever against Landlord (i) challenging the validity or propriety of this Agreement, and/or transactions contemplated in this Agreement or (ii) which could reasonably be expected to have a material adverse effect on the ownership or operation of the Landlord's Property or any part thereof or interest therein.

9.7 Requirements of Governmental Agencies. Landlord shall assist and fully cooperate with Tenant, so long as Landlord is reimbursed for its out-of-pocket expenses, in complying with or obtaining any land use permits and approvals, building permits, development permits, construction permits, subdivision approvals or any other approvals required for the financing, construction, installation, interconnection, replacement, relocation, maintenance, operation or removal of the Energy Storage Facility (collectively the "Permits"), including execution of applications for such approvals.

9.8 Estoppel Certificates. Within fifteen (15) days of receipt from Tenant, Landlord shall execute an estoppel certificate (a) certifying that this Agreement is in full force and effect and has not been modified (or, if the same is not true, stating the current status of this Agreement), (b) certifying that to the best of Landlord's knowledge there are no uncured events of default under this Agreement (or, if any uncured events of default exist, stating with particularity the nature thereof) and (c) containing any other certifications as may reasonably be requested. Any such statements may be conclusively relied upon by Tenant. The failure of Landlord to deliver such statement within such time shall be conclusive evidence upon Landlord that this Agreement is in full force and effect and has not been modified, and there are no uncured events of default by Tenant under this Agreement.

9.9 Cooperation in Security Rebates, Tax Credits and Other Economic Benefits. The Landlord will cooperate with Tenant in completing and filing such applications and other documents as are necessary to permit the Tenant to receive all mandatory or voluntary federal, state, or local renewable energy certificates or emissions or rebates, tax credits and including, without limitation, other economic benefits (the "Environmental Attributes") that are now or may hereafter become available to the Tenant in connection with the Energy Storage Facility, provided that Landlord shall not be required to bear any material out-of-pocket costs in doing so. Notwithstanding anything to the contrary herein contained, all Environmental Attributes in connection with the Energy Storage Facility shall remain the property of the Tenant or its successors and assigns. Tenant shall have the exclusive right to sell, transfer, or convey the Environmental Attributes to any other person in Tenant's sole discretion.

Section 10. Assignment.

10.1 Assignment by Tenant. Tenant shall not assign this Agreement without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Tenant may, without the prior written consent of Landlord, (i) assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement to any lender or other party providing financing for the Energy Storage Facility (collectively with any security or collateral agent, indenture trustee, loan trustee or participating or syndicated lender involved in whole or in part in such financing, and their respective representatives, successors and assigns, the "Lender") as described more fully in Section 14 below, (ii) directly or indirectly assign this Agreement to an affiliate of Tenant, (iii) assign this Agreement to any entity through which Tenant is obtaining financing or capital for the Energy Storage Facility, and (iv) assign this Agreement to any person succeeding to all or substantially all of the assets of Tenant; provided that if Tenant assigns 100% of its interest in this Agreement to another person, Landlord shall be deemed to release Tenant from all of its obligations under this Agreement upon assumption of Tenant's obligations by the assignee. Landlord's consent to any other assignment shall not be unreasonably withheld if Landlord has been provided with reasonable proof that the proposed assignee (x) has comparable experience in operating and maintaining energy storage systems comparable to the Energy Storage Facility, and (y) has the financial capability to maintain the Energy Storage Facility and comply with the Tenant's obligations in the manner required by this Agreement.

10.2 Assignment by Landlord. The burdens of this Agreement and other rights contained in this Agreement shall run with and against the Leased Premises and Easement Areas and shall be a charge and burden thereon for the duration of this Agreement and shall be binding upon and against Landlord and its successors and assigns. Landlord shall notify Tenant in writing of any sale, assignment or transfer of any of Landlord's interest in the Leased Premises, or any part thereof, and shall cause any such successor to agree to be bound by the terms hereof.

Section 11. Easements. For purposes of this Agreement, the term "Easement Areas" shall refer to the location of the Easements described herein.

11.1 Grant of Access Easements. Landlord hereby grants to Tenant during the Term a non-exclusive easement on, under, over and across the Landlord's Property, for access to and from, and ingress and egress to and from, the Energy Storage Facility and ___________ (the "Access Easement"). The "Access Easement Area" is depicted on the site map attached as Exhibit B.

11.2 Provisions Applicable to all Easements. The following provisions shall apply to all Easements granted herein:

(a) Each Easement shall be for a term that is coterminous with the Term, provided that in the event that this Agreement is terminated prior to the end of the Term, each Easement shall terminate upon the date that this Agreement is terminated.

(b) Each Easement shall run with the Leased Premises, and shall inure to the benefit of and be binding upon Landlord and the holder of such Easement, and their respective transferees, successors and assigns, and all persons claiming under them.

Section 12. Right to Terminate.

12.1 Termination by Tenant Prior to COD. Prior to the Commercial Operation Date for the Energy Storage Facility, the Tenant may terminate this Agreement if Tenant is unable to perform or prohibited from performing under the ESSA as a result of (i) any governmental agency denying a request by Tenant for, or revoking, a permit, license, or approval that is required for Tenant to construct or operate the Energy Storage Facility or related infrastructure on the Leased Premises or otherwise ordering or demanding that operation of the Energy Storage Facility cease or that the Energy Storage Facility must be removed from the Leased Premises for reasons unrelated to any default, violation or breach by Tenant of any applicable law; or (ii) the Leased Premises and/or Energy Storage Facility becoming damaged or destroyed to an extent that prohibits or materially interferes with Tenant's use of the Leased Premises.

12.2 Damage or Destruction. If the Energy Storage Facility is destroyed or substantially damaged as a result of fire or other casualty, then this Agreement may be terminated at the election of Tenant. Tenant will make such election by giving notice to Landlord within ninety (90) days after the date of the casualty. Tenant's election to terminate shall be conditioned upon Tenant's safeguarding the portion of the Energy Storage Facility not damaged from further damage, or, at Landlord's election, removing the Energy Storage Facility, and restoring the Leased Premises to substantially the same condition it was in on the Effective Date, ordinary wear and tear excepted. This Agreement shall terminate upon the latest of (i) receipt by Landlord of Tenant's notice of termination, (ii) the safeguarding or razing of the Energy Storage Facility as described above, (iii) restoration of the Leased Premises to substantially the same condition it was in on the Effective Date, ordinary wear and tear excepted, and (iv) payment by Tenant to Landlord of all fees and other payments owing to Landlord under the Agreement, if any, up to the date of termination. If Tenant does not elect to so terminate, this Agreement shall continue in full force and effect, and Tenant shall promptly restore the Energy Storage Facility, or damaged parts thereof, to its or their condition immediately prior to such casualty.

In the event of termination by Tenant pursuant to this provision, each Party shall be relieved of all further liability hereunder except for Tenant's obligation to remove the Energy Storage Facility as provided herein, any obligations that accrued prior to the termination and each Party's indemnification obligations hereunder.

Section 13. Default.

13.1 Tenant Default. It shall be an event of default (an "Event of Default") by Tenant if:

(a) Tenant fails to pay any fees and charges payable under this Agreement within thirty (30) days after Tenant's receipt of written notice from Landlord that such amounts were not paid when due;

(b) Tenant fails to observe and perform any covenant, condition or agreement hereunder on its part to be observed or performed for a period of thirty (30) days after Tenant's receipt of written notice from Landlord specifying such failure and requesting that it be remedied, given to the Tenant by the Landlord; provided, however, if the default is of such nature that Tenant cannot remedy the default within such 30-day period, Tenant shall have such additional time as may reasonably be required to remedy such default so long as Tenant commences to cure the default within such thirty (30) days and thereafter prosecutes the same to completion in good faith and with due diligence, but in no event later than ninety (90) days from the date of the notice from the Landlord; and/or

(c) Tenant commits a Seller Event of Default (as that term is defined under the ESSA) under the ESSA and the ESSA is terminated.

(d) Tenant commits an Event of Default (as that term is defined under the Interconnection Agreement) under the Interconnection Agreement and the Interconnection Agreement is terminated.

If an Event of Default of Tenant occurs, then without limiting any of Tenant's rights under this Agreement or the ESSA to access or remove the Energy Storage Facility, Landlord shall have the right, while such Event of Default continues, to re-enter and take complete possession of the Premises, and to declare the Term of this Agreement ended, and remove the Energy Storage Facility and Tenant's other effects on the Leased Premises, without prejudice to any remedies which might be otherwise be available to Landlord.

13.2 Landlord Default. If Landlord shall at any time (i) be in default of any Landlord Mortgage, or (ii) be in default in the observance or performance of any of the covenants and agreements required to be performed and observed by Landlord hereunder and any such default shall continue for a period of thirty (30) days after written notice to Landlord and Landlord shall not thereafter cure such default (or does not within said period commence and diligently proceed to cure such default), Tenant shall be entitled at its election, in addition to all remedies otherwise provided in this Agreement and otherwise available at law or in equity under the laws of the United States or the Commonwealth of Virginia:

(a) To bring suit for the collection of any amounts for which Landlord may be in default, or for the performance of any other covenant or agreement devolving upon Landlord, without terminating this Agreement, and/or

(b) To terminate this Agreement upon thirty (30) days written notice to Landlord without waiving Tenant's rights to damages for Landlord's failure to perform its obligations hereunder. If Tenant elects to terminate this Agreement, all rights and obligations of Tenant, and of any permitted successors or assigns, shall cease and terminate, except that Tenant shall have and retain full right to sue for and collect all amounts for the payment of which Landlord shall then be in default and all damages to Tenant by reason of any such breach.

13.3 Remedies Cumulative. All remedies of Landlord and Tenant herein created or remedies otherwise existing at law or in equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other. All such rights and remedies may be exercised and enforced concurrently and whenever and as often as either Landlord or Tenant shall, as applicable, deem necessary.

Section 14. Lender Protections.

14.1 Right to Mortgage. Without prejudice and in addition to any of Tenant's rights or Landlord's obligations in Section 10.1, Tenant may at any time and from time to time, without Landlord's prior written consent or approval (but with prior written notice to Landlord) (i) assign, encumber, hypothecate, mortgage or pledge (including by mortgage, deed of trust or personal property security instrument), or otherwise transfer all or any portion of its right, title or interest under this Agreement to a Lender designated by Tenant, as security for the repayment of any indebtedness and/or the performance of any obligation owned by Tenant to such Lender; and (ii) mortgage its leasehold interest hereunder and/or collaterally assign its interest in this Agreement and in any monies due under this Agreement in connection with obtaining financing from a Lender and all appurtenances thereto (including the interconnection facilities and the transmission facilities and improvements, or otherwise encumber and grant security interests in all or any part of its interest in this Agreement, the Leased Premises, the Energy Storage Facility, interconnection facilities or transmission facilities (holders of these various security interests are referred to as "Leasehold Mortgagees").

14.2 Lender's Rights Following Default. Following an event of default under any financing documents relating to the Energy Storage Facility and all appurtenances thereto (including the interconnection facilities and the transmission facilities and improvements), any Lender or Leasehold Mortgagee may (but shall not be obligated to) assume, or cause their designees to assume, all of the interests, rights and obligations of Tenant thereafter arising under this Agreement. Any Leasehold Mortgagee that has succeeded to Tenant's interests under this Agreement in accordance with the provisions of this Section 14 shall also have the right, without Landlord's prior written consent or approval (but with prior written notice to Landlord) to assign or sublet the whole or any portion or portions of its interest in this Agreement, the Leased Premises, the Energy Storage Facility, and all appurtenances thereto (including the interconnection facilities and the transmission facilities and improvements) for the uses permitted under this Agreement, to one or more creditworthy persons or entities with experience owning and operating a battery storage facility commensurate to that of Tenant (each, an "Assignee"). Following any such sale, conveyance, lease, assignment or sublet, the term "Tenant" shall be deemed to include each "Assignee" then holding Tenant's interest in this Agreement. However, no Leasehold Mortgagee or Assignee shall by virtue of Tenant's conveyance to it acquire any greater interest in the Leased Premises or any easements created hereunder than Tenant then has under this Agreement. References to Tenant in this Agreement shall be deemed to include any Person that succeeds (whether by assignment or otherwise) to all of the then-Tenant's then-existing right, title and interest under this Agreement in accordance with the provisions of this Section 14.

14.3 Tenant Discharge. If the rights and interests of Tenant in this Agreement shall be assigned in accordance with this Section 14 and the assuming party shall agree in writing to be bound by, and to assume, the terms and conditions hereof and any and all obligations to Landlord arising or accruing hereunder from and after the date of such assumption, Tenant shall be released and discharged from the terms and conditions hereof and each such obligation hereunder from and after such date, and Landlord shall continue this Agreement with the assuming party as if such person had been named as Tenant under this Agreement, provided, however, that the assuming party is creditworthy and has the experience required by this Section.

14.4 Landlord Consent. Landlord agrees to enter into a Non-disturbance, Consent and Recognition Agreement (or equivalent) customary for the financing of a project like the Energy Storage Facility by and among the Tenant's then chosen Lender or Leasehold Mortgagee, Landlord, and Tenant which shall include, without limitation, consent by Landlord to the Tenant's collateral assignment of this Agreement and Tenant's leasehold interest hereunder, cure rights and step in rights in favor of the Lender or Leasehold Mortgagee (such agreement, a "Landlord Consent").

14.5 No Lender Liability. Any Lender or Leasehold Mortgagee or Assignee who acquires Tenant's leasehold interest pursuant to foreclosure or assignment in lieu of foreclosure that does not directly hold an interest in this Agreement, or that holds an interest, lien or security interest in this Agreement solely for security purposes, shall have no obligation or liability under this Agreement for obligations arising prior to the time such Lender, Leasehold Mortgagee or Assignee directly holds an interest in this Agreement, or succeeds to title to such interest, or to this Agreement. Any such Lender, Leasehold Mortgagee or Assignee shall be liable to perform obligations under this Agreement only for and during the period it directly holds such interest or title.

14.6 Third-Party Beneficiaries. The provisions of this Section 14 are for the benefit of the Lenders, Leasehold Mortgagees and Assignees, as well as the Parties hereto, and shall be enforceable by the Lenders, Leasehold Mortgagees and Assignees as express third-party beneficiaries hereof. Landlord hereby agrees that none of the Lenders, Leasehold Mortgagees and Assignees, nor any Person for whom they may act, shall be obligated to perform any obligation or be deemed to incur any liability or obligation provided in this Agreement on the part of Tenant or shall have any obligation or liability to Landlord with respect to this Agreement except to the extent any of them becomes a party hereto pursuant to this Section or through the exercise of its rights or remedies and the written assumption of the Agreement or the easements granted hereunder. Any exercise by the Lenders, Leasehold Mortgagees and Assignees of any rights and remedies hereunder shall be subject to all rights, defenses and remedies available to Landlord, in each case subject to the terms of any Landlord Consent.

14.7 Lender Enforcement. A Lender, Leasehold Mortgagee or Assignee shall have the absolute right: (a) enforce its lien and acquire title to Tenant's leasehold estate and easement rights by any lawful means; (b) to take possession of and operate the Leased Premises or any portion thereof, in accordance with the terms of this Agreement and to perform all obligations to be performed by Tenant under this Agreement, or to cause a receiver to be appointed to do so; and (c) to acquire such leasehold estate and easement rights by foreclosure or by an assignment in lieu of foreclosure and thereafter to assign or transfer such leasehold estate to a third party.

14.8 Cure Rights; Non-Curable Defaults.

(a) To prevent termination of this Agreement or any partial interest in this Agreement, each Lender, Leasehold Mortgagee or Assignee shall have the right, but not the obligation, at any time prior to termination of this Agreement, to perform any act necessary to cure any breach or Event of Default and to prevent the termination of this Agreement or any partial interest in this Agreement. As a precondition to exercising any rights or remedies as a result of any alleged breach or Event of Default by Tenant, Landlord shall give written notice of such default to each Lender, Leasehold Mortgagee or Assignee previously disclosed by Tenant, concurrently with delivery of notice to Tenant, specifying in detail the alleged event of default and the required remedy. Each such Lender, Leasehold Mortgagee or Assignee shall have the same amount of time to cure the default as to Tenant's interest in this Agreement as is given to Tenant. The cure period for each Lender, Leasehold Mortgagee or Assignee shall begin to run at the end of the cure period given to Tenant in this Agreement.

(b) If any default by Tenant under this Agreement cannot be cured without the Lender, Leasehold Mortgagee or Assignee obtaining possession of all or part of the Leased Premises and/or all or part of the Energy Storage Facility and/or all or part of Tenant's interest in this Agreement, then any such default shall be deemed remedied if: (a) within ninety (90) days after receiving written notice from Landlord, either Lender, Leasehold Mortgagee or Assignee shall have acquired possession of all or part of the Leased Premises and/or all or part of the Energy Storage Facility and/or all or part of such interest in this Agreement, or shall have commenced appropriate judicial or non-judicial proceedings to obtain the same; (b) the Lender, Leasehold Mortgagee or Assignee, as the case may be, shall be in the process of diligently prosecuting any such proceedings to completion; and (c) after gaining possession of all or part of the Leased Premises and/or all or part of the Energy Storage Facility and/or all or part of such interest in this Agreement, the Lender, Leasehold Mortgagee or Assignee performs all other obligations as and when the same are due in accordance with the terms of this Agreement, but only for the period attributable to its possession of the Leased Premises, provided, however, that the Lender, Leasehold Mortgagee or Assignee shall pay the rent and perform all the other obligations of Tenant hereunder as of the date that Landlord could have terminated this Agreement for an event of default. If a Lender, Leasehold Mortgagee or Assignee is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction over any bankruptcy or insolvency proceeding involving Tenant or any defaulting Assignee, as the case may be, from commencing or prosecuting the proceedings described above, the sixty (60) day period specified above for commencing such proceeding shall be extended for the period of such prohibition. During any period of possession of the Leased Premises by a Lender, Leasehold Mortgagee or Assignee and/or during the pendency of any foreclosure proceedings instituted by a Lender, Leasehold Mortgagee or Assignee, the Lender, Leasehold Mortgagee or Assignee shall pay or cause to be paid the fees, rent and all other monetary charges payable by Tenant under this Agreement which have accrued and are unpaid at the commencement of such period and those which accrue thereafter during such period. Following acquisition of Tenant's leasehold estate by the Lender, Leasehold Mortgagee or Assignee as a result of either foreclosure or acceptance of an assignment in lieu of foreclosure, or by a purchaser at a foreclosure sale (all of which are included in the term "Assignee"), this Agreement shall continue in full force and effect and the Lender, Leasehold Mortgagee or Assignee shall, as promptly as reasonably possible, commence the cure of all defaults under this Agreement and thereafter diligently process such cure to completion, and upon such completion of the cure of all defaults under the Agreement Landlord's right to terminate this Agreement based upon such defaults shall be deemed waived; provided, however, that the Lender, Leasehold Mortgagee or Assignee or such party acquiring title to Tenant's leasehold estate shall not be required to cure those defaults which are not reasonably susceptible of being cured or performed by such party ("Non-curable defaults"). Non-curable defaults shall be deemed waived by Landlord upon completion of foreclosure proceedings or acquisition of Tenant's interest in this Agreement by such party.

14.9 Tenant Bankruptcy; Etc. Any Lender, Leasehold Mortgagee or Assignee who acquires Tenant's leasehold interest, pursuant to foreclosure or assignment in lieu of foreclosure shall not be liable to perform the obligations imposed on Tenant by this Agreement incurred or accruing after the Lender, Leasehold Mortgagee or Assignee no longer has ownership of the leasehold estate or possession of the Leased Premises. Neither the bankruptcy nor the insolvency of Tenant shall be grounds for terminating this Agreement as long as all rent and all other monetary charges payable by Tenant under this Agreement are promptly paid by the Lender, Leasehold Mortgagee or Assignee in accordance with the terms of this

Agreement. The acceptance of rent by Landlord shall not be deemed a waiver of any other rights or remedy it may have under the Agreement at law or in equity.

14.10 Replacement Agreement. If this Agreement terminates for any reason, including because of Tenant's default or if the leasehold estate is foreclosed, or if this Agreement is rejected or disaffirmed pursuant to bankruptcy applicable requirements or other applicable requirements affecting creditor's rights and, within ninety (90) days after such event, Tenant or any Lender, Leasehold Mortgagee or Assignee shall have arranged to the absolute satisfaction of Landlord for the payment of fees and other charges due and payable by Tenant as of the date of such event, then Landlord shall execute and deliver to such Lender, Leasehold Mortgagee or Assignee or designee, as the case may be, a new lease to the Leased Premises which (a) shall be for a term equal to the remainder of the Lease Term before giving effect to such rejection or termination; (b) shall contain the same covenants, agreements, terms, provisions and limitations as this Agreement (except for any requirements that have been fulfilled by Tenant or any Lender, Leasehold Mortgagee or Assignee prior to rejection or termination of this Agreement); and (c) shall include that portion of the Energy Storage Facility in which Tenant had an interest on the date of rejection or termination.

14.11 Survival. The provisions of this section shall survive the termination, rejection or disaffirmation of this Agreement and shall continue in full force and effect thereafter to the same extent as if this section was a separate and independent contract made by Landlord, Tenant and each Lender, Leasehold Mortgagee or Assignee, and, from the effective date of such termination, rejection or disaffirmation of this Agreement to the date of execution and delivery of such new lease, such Lender, Leasehold Mortgagee or Assignee may use and enjoy said Leased Premises in accordance with the terms of such new lease, provided that all of the conditions for a new lease as set forth above are complied with.

Section 15. Miscellaneous Provisions.

15.1 Memorandum. Landlord and Tenant shall execute in recordable form and Tenant shall then record in the land records of the locality where the Leased Premises are located a memorandum of this Agreement in the form attached to this Agreement as Exhibit C.

15.2 Notices. Any written notice, direction, instruction, request or other communication required or permitted under this Agreement shall be deemed to have been duly given on the date of receipt, and shall be delivered (i) personally to the Party to whom notice is to be given, (ii) by electronic mail to the Party to whom notice is to be given, (iii) by a recognized overnight delivery service to the Party to whom notice is to be given, or (iv) to the Party to whom notice is to be given, by first class registered or certified mail, return receipt requested, postage prepaid (with additional notice by regular mail), and addressed to the addressee at the address stated opposite its name below, or at the most recent address specified by written notice given to the other Party in the manner provided in this Section 15.2:

If to Landlord:	If to Tenant:
City of Danville, Virginia	Doc Brown, LLC
1040 Monument Street	c/o Delorean Power LLC
Danville, Virginia 24541	1201 Wilson Boulevard,
Attention: Jason Grey,	Arlington, VA 22209
Utilities Director	Attention: Michael Herbert, Manager
Email: greyjc@danvilleva.gov	Email: michaelherbert@deloreanpower.com

15.3 Entire Agreement; Amendments. This Agreement constitutes the entire Agreement between Landlord and Tenant respecting its subject matter. Any other agreement, understanding or representation respecting the Leased Premises or any other matter not expressly set forth in this Agreement or a subsequent writing signed by both parties is null and void. This Agreement shall not be modified or amended except in a writing signed by both parties.

15.4 Legal Matters. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia. Venue shall be the City of Danville, Virginia where the Leased Premises is located.

15.5 Partial Invalidity. Should any provision of this Agreement be held, in a final and un-appealable decision by a court of competent jurisdiction, to be either invalid, void or unenforceable, the remaining provisions hereof shall remain in full force and effect, unimpaired by the holding.

15.6 Counterparts. This Agreement may be executed with counterpart signature pages and in duplicate originals, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

15.7 Cooperation. Landlord shall cooperate with Tenant in the conduct of their operations consisting of the Energy Storage Facility, and in otherwise giving effect to the purpose and intent of this Agreement, provided that Landlord shall not be required to bear any cost in doing so.

15.8 Relationship. Neither this Agreement nor any other agreements or transactions contemplated in this Agreement shall in any respect be interpreted, deemed or construed as constituting Landlord, Tenant as partners or joint venturers, or as creating any partnership, joint venture, association or other relationship other than of landlord and tenant.

15.9 Third Party Beneficiaries. There are no third-party beneficiaries, actual or intended, under this Agreement.

15.10 Captions. The captions used in this Agreement are for convenience only and do not limit or amplify the provisions hereof.

15.11 Force Majeure.

(a) "Force Majeure" or "Force Majeure Event" means any unforeseen cause or event beyond the reasonable control of the affected Party, and not due to the fault or negligence of the affected Party, and which could not have been avoided or overcome by due diligence and the use of reasonable efforts, including flood, tornado, hurricane, lightning, earthquake, fire, explosion, acts of the public enemy or terrorism, sabotage, civil disturbance, revolution, labor strikes, work stoppages, boycotts, walkouts and other labor difficulties that are national or regional in nature, impact of war or mobilization, impact of epidemics or pandemics (including COVID-19), national emergency and order by any governmental authority; provided that Landlord shall not constitute a governmental authority for purposes of this Agreement. Force Majeure Event shall not include any of the following, all of which are solely the responsibility of the affected Party: (i) any inability to pay amounts due under this Agreement, (ii) late delivery of machinery, equipment, spare parts and consumables for the Energy Storage Facility, except to the extent resulting from a cause or event described in the first sentence of this Section 15.11, (iii) a delay in performance or faulty performance by any of Tenant's contractors or suppliers, except to the extent resulting from a cause or event described in the first sentence of this Section 15.11, or (iv) failure or breakdown of equipment or facilities comprising the Energy Storage Facility, except to the extent resulting from a cause or event described in the first sentences of this Section 15.11.

(b) As of the Effective Date, the novel coronavirus causing COVID-19 ("COVID-19") is causing a global pandemic that may affect the production, supply and transportation of materials and equipment, as well as the ability of the Parties and their subcontractors to perform certain activities contemplated under this Agreement. The Parties agree that COVID-19-related events or developments occurring on or after the Execution Date shall not fail to qualify as beyond the reasonable control of a party, unforeseen, or unavoidable solely because of the existence of COVID-19 prior to the Effective Date.

(c) Neither Landlord nor Tenant shall be considered to be in default in the performance of its obligations under this Agreement to the extent that performance of any such obligation is prevented or delayed by a Force Majeure Event. In no case shall Force Majeure excuse non-payment for amounts otherwise due and payable hereunder.

(d) If a Party is prevented or delayed in the performance of any obligation by a Force Majeure Event, then such Party shall provide notice to the other Party of the circumstances preventing or delaying performance and the expected duration thereof as soon as reasonably practicable after discovery of the Party's inability to perform as result of the claimed Force Majeure Event. The recipient Party of any such notice shall confirm receipt in writing as soon as reasonably possible; provided that any failure to confirm shall not invalidate the notice provided by the affected Party. The suspension of or extension of time for performance shall be of no greater scope and of no longer duration than is required by the Force Majeure Event and the Party affected by a Force Majeure Event shall use commercially reasonable efforts to remove or repair the cause of the Force Majeure Event and shall resume performance of its obligations as soon as reasonably practicable, but shall not be required to make any concession in any labor negotiation or dispute. The Term shall be extended for each day performance is suspended due to a Force Majeure event.

(e) Notwithstanding the foregoing, if a Force Majeure Event prevents material performance by a Party under this Agreement for a period of 12 months or more, the Party whose performance is not prevented by Force Majeure shall have the right to terminate this Agreement upon written notice to the other Party and without further recourse.

15.12 Brokers. Each Party represents and warrants to the other that it has not retained anyone to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee.

[*Remainder of Page Intentionally Left Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Lease Agreement effective as of the Effective Date.

LANDLORD:

City of Danville, Virginia

By:____________________________________
Name:
Title:

COMMONWEALTH OF VIRGINIA
_______________ COUNTY, SS.

At ______________, Virginia this _____ day of _____________, 20__, personally appeared _____________, duly authorized signatory for the City of Danville, Virginia and acknowledged the foregoing instrument by him/her signed and sealed to be his/her free act and deed and the free act and deed of the City of Danville, Virginia.

____
Notary Public
My commission expires: ___________
Commission Number:________________

TENANT:

DOC BROWN, LLC

By:____________________________________
Name: Michael Herbert
Title: Managing Partner

COMMONWEALTH OF VIRGINIA
___________ COUNTY, SS.

At __________________, ____________ this _____ day of ____________, 20__, personally appeared ____________, duly authorized signatory for Doc Brown, LLC and acknowledged the foregoing instrument by him/her signed and sealed to be his/her free act and deed and the free act and deed of Doc Brown, LLC.

____
Notary Public
My commission expires: __________
Commission Number:_________________

Exhibit A to Lease Agreement

Description of Landlord's Property

The Landlord's Property is located at 864 Monument Street. The Tax Map Number of the Landlord's Property is 2718-008-000001.001

Exhibit B to Lease Agreement

Depiction of Leased Premises, Construction Areas and Easement Areas

The Lease Premises is located at 864 Monument Street. The Tax Map Number of the Leased Premises is 2718-008-000001.001

Exhibit C to Lease Agreement

Memorandum of Lease Agreement

THIS MEMORANDUM OF LEASE AGREEMENT (this "Memorandum"), is made, dated and effective as of ________________ (the "Effective Date"), by and between City of Danville, Virginia, a municipal corporation of the Commonwealth of Virginia having a mailing address of 1040 Monument Street, Danville, Virginia 24541 ("Landlord"), and Doc Brown, LLC , a Virginia limited liability company having a mailing address of c/o Delorean Power LLC, 1201 Wilson Boulevard, Arlington, Virginia 22209, its successors and assigns ("Tenant"), with regards to the following:

1. Lease Agreement. Landlord and Tenant did enter into that certain Lease Agreement (the "Agreement"), which affects certain real property located at 864 Monument Street, in the City of Danville, Commonwealth of Virginia (the "Leased Premises"), which is a portion of the real property particularly described in Exhibit A attached hereto (the "Landlord's Property"). Capitalized terms used and not defined herein have the meaning given the same in the Agreement. The date of the execution of the Agreement is the Effective Date.

2. Grant of Rights. The Agreement grants Tenant an exclusive leasehold interest in the Leased Premises, and grants to Tenant the easements in, on, under, over or about the Landlord's Property specified therein; such easement rights include, without limitation, (a) an access easement for access and ingress and egress to and from the Leased Premises and; (b) a distribution easement to extend distribution lines across a portion of the Landlord's Property and to interconnect with a utility pole located on or adjacent to the Landlord's Property.

3. Term. The Term of the Agreement shall commence on the Effective Date and expire on the twentieth anniversary of the date that the battery storage project to be constructed on the Leased Premises commences commercial operations; provided that the Term may be extended for successive one-year terms as described in the Lease. Tenant shall have a six-month period following the expiration of the Term or the earlier termination of the Agreement to decommission the battery storage project.

4. Assignment. The Agreement and Tenant's rights and obligations thereunder may not be assigned without Landlord's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Tenant may (i) assign, mortgage, pledge or otherwise collaterally assign its interests in the Agreement to any lender or other party providing financing for the battery storage project, (ii) directly or indirectly assign the Agreement to an affiliate of Tenant, (iii) assign the Agreement to any entity through which Tenant is obtaining financing or capital for the battery storage project, and (iv) assign the Agreement to any person succeeding to all or substantially all of the assets of Tenant, in each case without Landlord consent. The burdens of the Agreement and other rights contained in the Agreement shall run with and against the Leased Premises and easement areas and shall be a charge and burden thereon for the duration of the Agreement and shall be binding upon and against Landlord and its successors and assigns. Landlord shall notify Tenant in writing of any sale, assignment or transfer of any of Landlord's interest in the Leased Premises, or any part thereof, and shall cause any such successor to agree to be bound by the terms of the Agreement.

5. Subordination. The Agreement provides that from and after its effective date, any right, title or interest created by Landlord in favor of or granted to any third party shall be subject to the Agreement and all of Tenant's rights, title and interests created thereby; provided that Tenant will enter into certain commercially reasonable subordination and non-disturbance agreements.

6. Agreement Controls. This Memorandum does not supersede, modify, amend or otherwise change the terms, conditions or covenants of the Agreement, and Landlord and Tenant executed and are recording this Memorandum solely for the purpose of providing constructive notice of the Agreement and Tenant's rights thereunder.

7. Addresses.

a. The mailing address of Landlord is:
City of Danville, Virginia
Department of Utilities
1040 Monument Street
Danville, Virginia 24541
Attn: Utilities Director

b. The mailing address of Tenant is:

Doc Brown, LLC
c/o Delorean Power LLC
1201 Wilson Boulevard,
Arlington, VA 22209
Attention: Michael Herbert
Email: michaelherbert@deloreanpower.com

8. Location of Original Agreement. A copy of the original Agreement is on file with Landlord and Tenant.

9. Counterparts. This Memorandum may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document.

[*Remainder of Page Intentionally Left Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Memorandum to be effective as of the date first written above.

LANDLORD:

City of Danville, Virginia

By:_____________________________________
Name:
Title:

COMMONWEALTH OF VIRGINIA
__________ COUNTY, SS.

At ____________, Virginia this _____ day of _____________, 20__, personally appeared _____________, duly authorized signatory for the City of Danville, Virginia and acknowledged the foregoing instrument by him/her signed and sealed to be his/her free act and deed and the free act and deed of the City of Danville, Virginia.

____
Notary Public
My commission expires: _________
Commission Number:________________

TENANT:

DOC BROWN, LLC

By:_____________________________________
Name: Michael Herbert
Title: Managing Partner

COMMONWEALTH OF VIRGINIA
_________________ COUNTY, SS.

At __________________, _____________ this _____ day of ____________, 20__, personally appeared ____________, duly authorized signatory for Doc Brown, LLC and acknowledged the foregoing instrument by him/her signed and sealed to be his/her free act and deed and the free act and deed of Doc Brown, LLC

____
Notary Public
My commission expires: ______________
Commission Number:_________________

Exhibit A to Memorandum of Lease Agreement

Description of the Landlord's Property

The Landlord's Property is located at 864 Monument Street. The Tax Map Number of the Landlord's Property is 2718-008-000001.001.

Council Letter
City of Danville, Virginia

CL-2833 **Work Session D.**

Work Session Meeting

Meeting Date: 09/06/2022

Subject: Locust Ridge Wind Energy Purchase Power Agreement

From: Jason Grey, Utilities Director

COUNCIL ACTION

Work Session: 09/06/2022

SUMMARY

American Municipal Power (AMP) issued a bid for energy resources to help members with rising market prices this coming winter. The responses were short-listed and the best-rated and most economical project was chosen to negotiate a term sheet. The Avangrid project, the Locust Ridge Wind Project was selected as the preferred project to pursue. The deadline for commitments is September 27, 2022. This three year contract will start October 1, 2022 and end on September 30, 2025.

BACKGROUND

Market energy prices over the past eight months have increased significantly because of various factors around the world. Approximately ten percent of the City's energy is purchased on the daily energy market. The City's energy needs are growing due to recent economic development announcements in 2023/2024 that will increase that market exposure from 10% to an estimated 17%. It is staff's recommendation to enter into this 3-year wind purchase power agreement to reduce the City's market exposure and take advantage of a low-cost resource that will benefit Danville Utilities electric customers. This energy contract is designed to end when the AMP solar project is supposed to become operation in fall 2025.

RECOMMENDATION

Staff recommends that City Council approve and authorize the City Manager to enter into a 3-year purchase power agreement with American Municipal Power for twenty megawatts of wind energy for $47.75/megawatt-hour.

Attachments

Resolution

Presentation

PRESENTED: ________________, 2022

ADOPTED: ______________, 2022

RESOLUTION NO. 2022-____.____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE EXECUTION OF THE 2022 LOCUST RIDGE WIND ENERGY SCHEDULE WITH AMERICAN MUNICIPAL POWER, INC. AND TAKING OF OTHER ACTIONS IN CONNECTION THEREWITH .

WHEREAS, the City of Danville, Virginia **("**Municipality") owns and operates an electric utility system for the sale of electric capacity and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric energy requirements of its electric utility system, Municipality has heretofore purchased, or desires to purchase in the future, economical, reliable and environmentally sound energy and related services from, or arranged by, American Municipal Power, Inc. ("AMP"), of which Municipality is a member; and

WHEREAS, AMP is an Ohio nonprofit corporation, organized to own and operate facilities, or to provide otherwise for the generation, transmission or distribution of electric capacity and energy, or any combination thereof, and to furnish technical services on a cooperative, nonprofit basis for the mutual benefit of AMP members ("Members"), such Members, including Municipality, being political subdivisions that operate municipal electric utility systems; and

WHEREAS, Municipality, acting individually and through AMP with other political subdivisions of this and other states that own and operate electric utility systems, jointly, endeavors to arrange for reliable, environmentally sound and reasonably priced supplies of electric capacity and energy and related services for ultimate delivery to its customers; and

WHEREAS, it is efficient and economical to act jointly in such regard; and

WHEREAS, Municipality has previously entered into a Master Services Agreement with AMP, which contemplates that Municipality shall enter into various schedules for the provision of capacity and associated energy and related services from AMP to Municipality; and

WHEREAS, certain Members, including the Municipality have determined that they can utilize additional sources of reliable energy on a long-term basis at reasonable costs, and have requested that AMP arrange for the same by developing, purchasing or otherwise acquiring interests in certain energy facilities; and

WHEREAS, in furtherance of this purpose, AMP and Avangrid Renewables, LLC ("Avangrid") have entered into a wind energy purchase power agreement ("Avangrid Wind PPA") under the terms of which AMP is to purchase and Avangrid is to supply and sell up to approximately 100 MW of energy from the Locust Ridge Wind Farm located in Schuylkill Haven, Pennsylvania for a period of thirty-six (36) months; and

WHEREAS, it is necessary and desirable for Municipality to enter into the 2022 Locust Ridge Wind Energy Schedule to Municipality's Master Services Agreement with AMP to provide for an additional source of energy; and

WHEREAS, Members now have the right, but not the obligation by the enactment of this resolution to authorize and request AMP to acquire energy from the Locust Ridge Wind Farm by approval and execution of the 2022 Locust Ridge Wind Energy Schedule authorized below; and

WHEREAS, prior to the execution of the 2022 Locust Ridge Wind Energy Schedule authorized through the adoption of this resolution AMP has (i) informed the Municipality of the terms of the Locust Ridge Wind Energy Schedule; (ii) provided the Municipality the opportunity to review the Avangrid Wind PPA terms and conditions (subject to price); and (iii) offered representatives of the Municipality the opportunity to ask such questions, review data and reports, conduct inspections and otherwise perform such investigations with respect to, as applicable, the acquisition of energy and the terms and conditions of the 2022 Locust Ridge Wind Energy Schedule authorized below as Municipality deems necessary or appropriate in connection herewith; and

WHEREAS, after due consideration, the Municipality has determined it is reasonable and in its best interests to proceed as authorized herein below and requests and authorizes AMP to acquire energy from the Locust Ridge Wind Farm upon those terms and conditions set forth in the 2022 Locust Ridge Wind Energy Schedule.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Danville, Virginia :

SECTION 1. That the 2022 Locust Ridge Wind Energy Schedule between Municipality and AMP, substantially in the form attached hereto or on file with the Clerk, including Exhibits thereto, are approved, and the City Manager of Municipality is hereby authorized to execute and deliver the 2022 Locust Ridge Wind Energy Schedule with such changes as the City Manager may approve as neither inconsistent with this resolution nor materially detrimental to the Municipality, his or her execution of the 2022 Locust Ridge Wind Energy Schedule to be conclusive evidence of such approval.

SECTION 2. That the City Manager is hereby authorized to (i) acquire under the 2022 Locust Ridge Wind Energy Schedule, authorized above, a Contract Amount as defined in that Schedule of up to 20,000 kW with a price of up to $47.75/MWh for energy only made available thereunder without bid, and (ii) make any determinations and approvals required thereunder, if any, as the City Manager shall deem necessary and advisable.

SECTION 3. If any section, subsection, paragraph, clause or provision or any part thereof of this resolution shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this resolution shall be unaffected by such adjudication and all the remaining provisions of this resolution shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 4. That this resolution shall take effect at the earliest date allowed by law.

SECTION 5. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this resolution were taken in conformance with applicable open meetings laws and that all deliberations of this Council and of any committees that resulted in those formal actions were in compliance with all legal requirements including any applicable open meetings requirements.

SECTION 6. That in order to take advantage of the pricing in the 2022 Locust Ridge Wind Energy Schedule, and to therefore protect the public welfare, this resolution is hereby declared an emergency measure, which shall take effect at the earliest period allowed by law.

BE IT FURTHER RESOLVED that the City Manager, Ken F. Larking, be and he is hereby authorized to execute on behalf of the City and all documents as may be necessary to complete the above referenced purchase and effect such conveyance to the City of Danville.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to

Form and Legal Sufficiency:

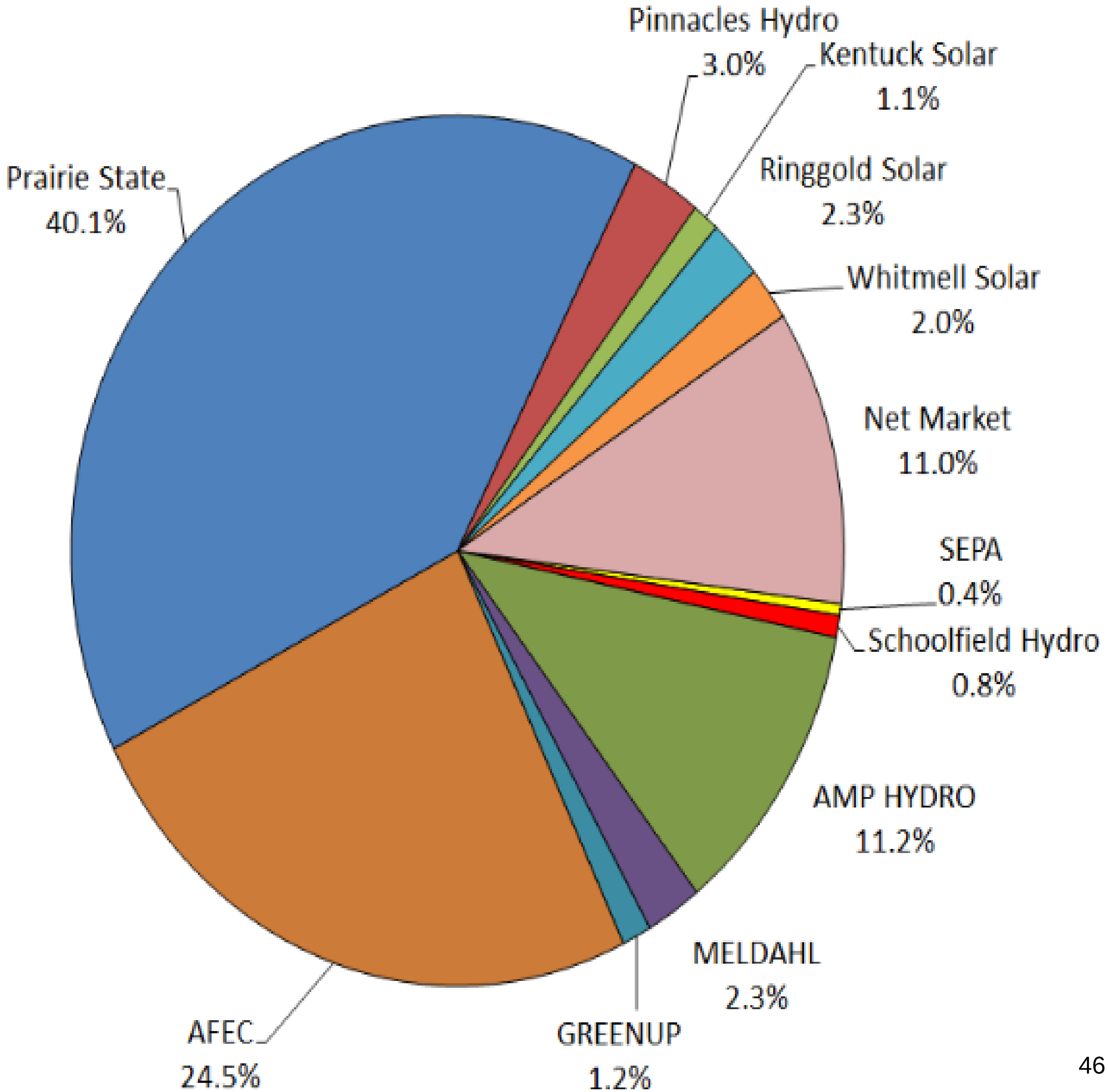
City Attorney

LOCUST RIDGE WIND ENERGY

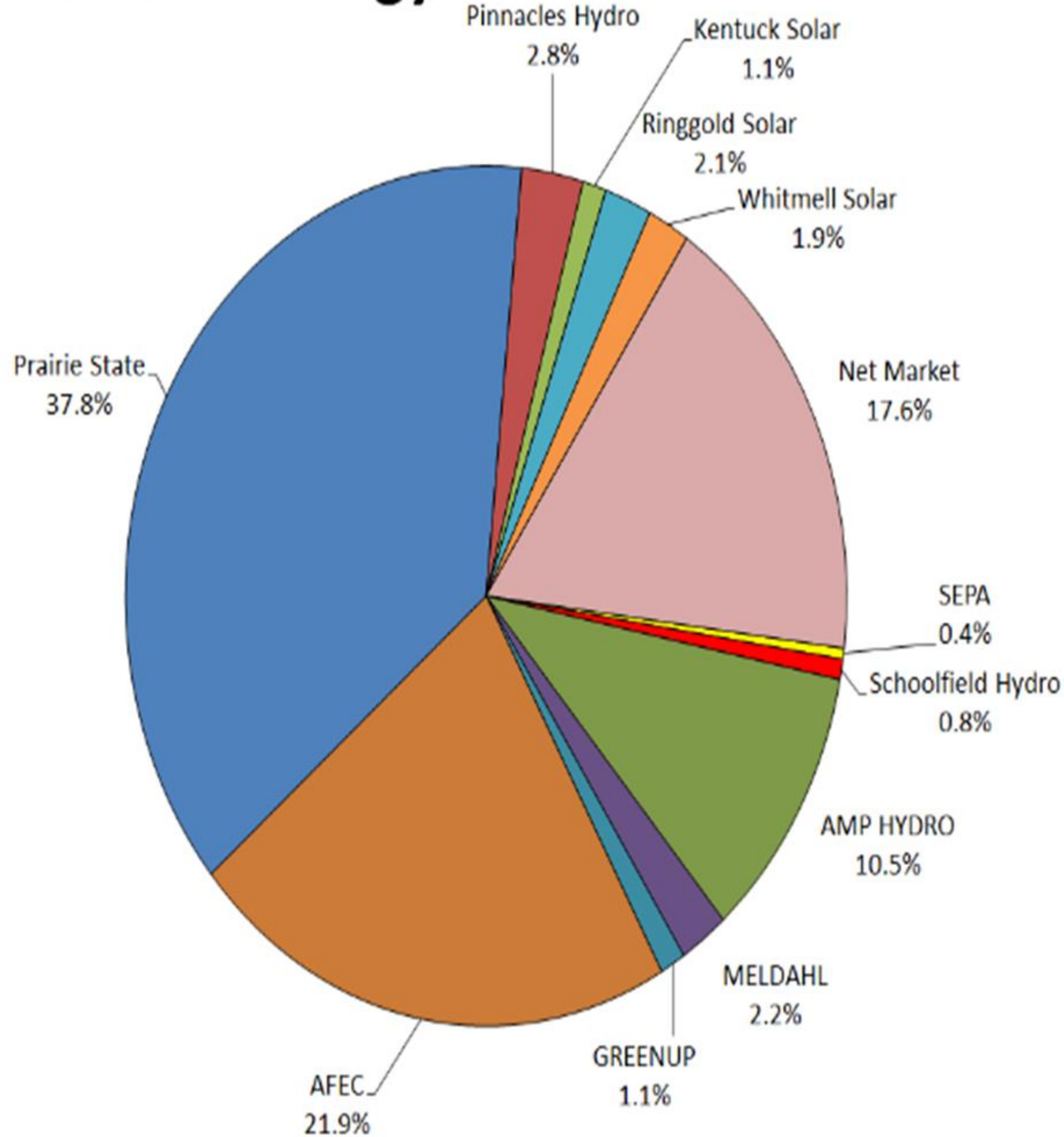
Danville City Council

September 6, 2022

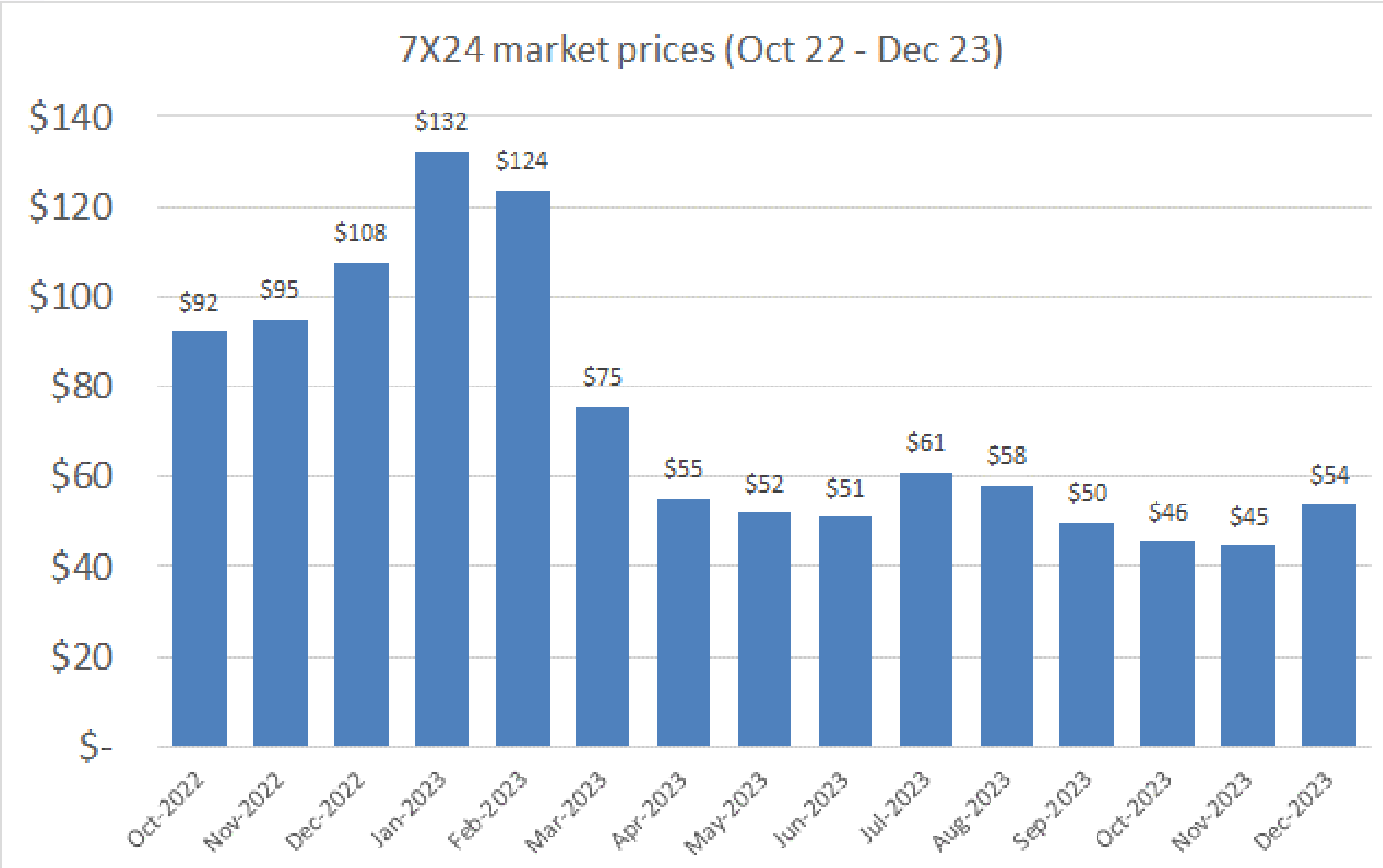
Danville 2023 Energy Sources



Danville 2024 Energy Sources



ELECTRIC MARKET PRICES



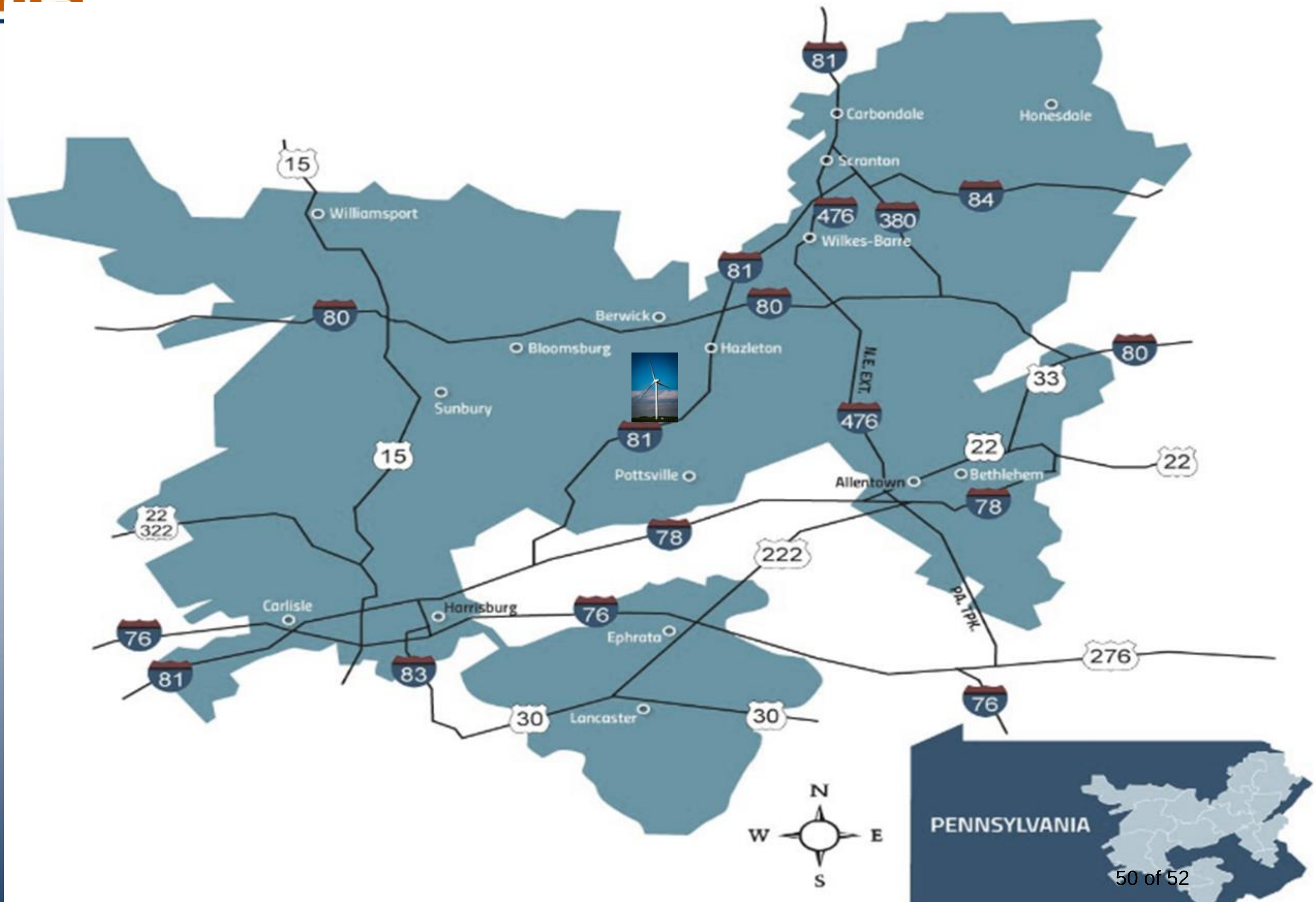
ELECTRIC STRATEGY

- Reduce market purchases to approximately 10% or less.
- Leave 10% or less on market to allow for daily fluctuations in load or additional solar. Longer term blocks typically sell as:

  January – February

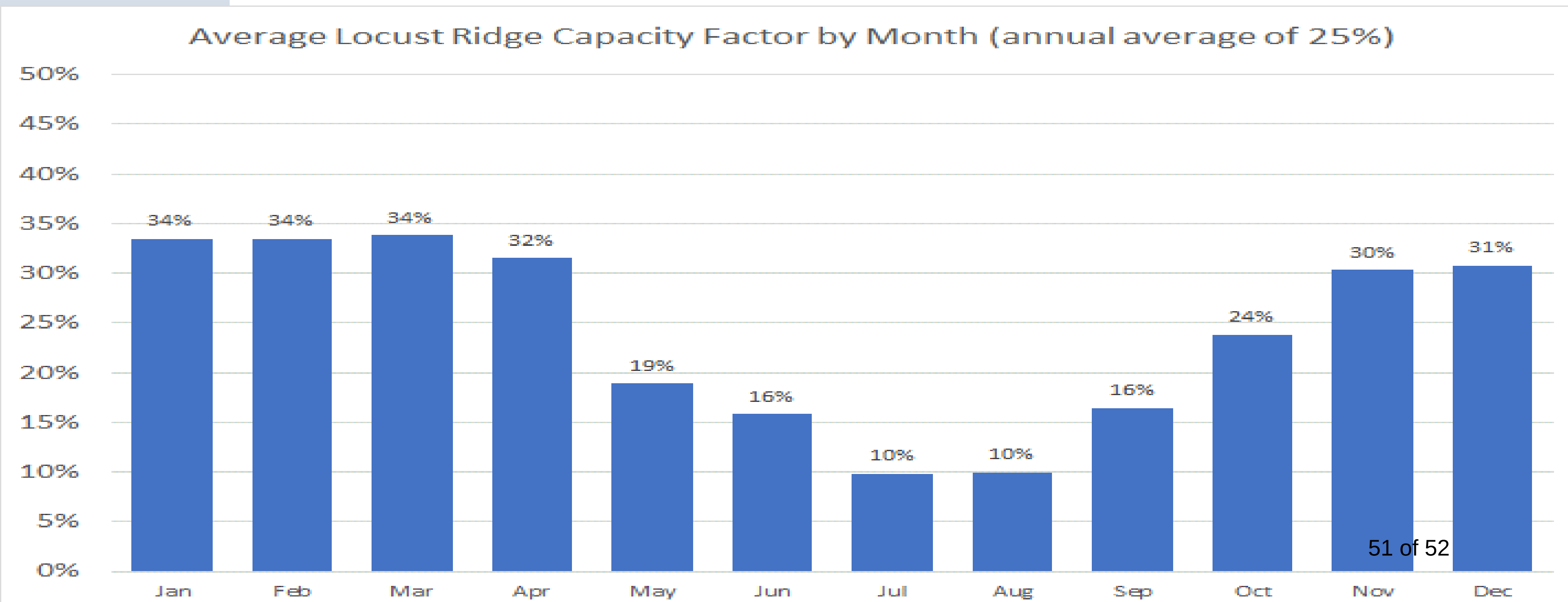
  July – August

LOCUST RIDGE WIND FARM



3-YEAR PURCHASE POWER AGREEMENT

- October 1, 2022-September 30, 2025
- Lower market exposure ~5%
- ~44,000 mWh/year
- Wind Farms=Winter resource
- $47.50/mWh-Energy only



Questions?