

BATTERY ENERGY STORAGE SYSTEM OUTPUT PURCHASE AGREEMENT

AMONG

VIRGINIA MUNICIPAL ELECTRIC ASSOCIATION NO. 1

AND

THE TOWN OF BLACKSTONE, VIRGINIA,

THE TOWN OF CULPEPER, VIRGINIA,

THE TOWN OF ELKTON, VIRGINIA,

THE CITY OF FRANKLIN, VIRGINIA,

THE HARRISONBURG ELECTRIC COMMISSION,

THE CITY OF MANASSAS, VIRGINIA,

AND

THE TOWN OF WAKEFIELD, VIRGINIA

BATTERY ENERGY STORAGE SYSTEM OUTPUT PURCHASE AGREEMENT

This BATTERY ENERGY STORAGE SYSTEM OUTPUT PURCHASE AGREEMENT (“Agreement”) among VIRGINIA MUNICIPAL ELECTRIC ASSOCIATION NO. 1 (“VMEA”) and the TOWN OF BLACKSTONE, VIRGINIA, the TOWN OF CULPEPER, VIRGINIA, the TOWN OF ELKTON, VIRGINIA, the CITY OF FRANKLIN, VIRGINIA, the HARRISONBURG ELECTRIC COMMISSION, the CITY OF MANASSAS, VIRGINIA, and the TOWN OF WAKEFIELD, VIRGINIA (each referred to as a “Member”) (VMEA and each of the Members a “Party” and, collectively, the “Parties”) is made and entered into this 1st day of July, 2025.

WITNESSETH

WHEREAS, VMEA is a non-stock-not-for-profit corporation created by its members pursuant to Virginia Code Sections 13.1-801 *et seq.* and 15.2-1300 to act on behalf of its members with regard to their bulk electric power supply matters and other related matters;

WHEREAS, the Participant and the other members of VMEA own and operate electric utility systems and are authorized under the laws of the Commonwealth of Virginia to contract to buy from VMEA the electric power and energy required for their present and future requirements;

WHEREAS, the Participant and the other participating members of VMEA purchase from VMEA electric power and energy and other related services;

WHEREAS, under the laws of the Commonwealth of Virginia, the Members have entered into respective agreements with VMEA for the purchase of bulk electric power and energy, transmission service, and other related services under the terms and conditions of an Amended and Restated Power Sales Contract;

WHEREAS, VMEA intends to enter into a Tolling Agreement with RWE Clean Energy Asset Holdings, Inc. (“Vendor”) for the combined output of a battery energy storage system to be installed and interconnected with the electric facilities of the City of Manassas and a battery energy storage system to be installed and interconnect with the electric facilities of the Harrisonburg Electric Commission (the combined battery energy storage system referred to as the “BESS”);

WHEREAS, pursuant to the Tolling Agreement, VMEA must pay monthly charges to the Vendor for the output of the BESS;

WHEREAS, the Members desire VMEA to manage the Tolling Agreement with the Vendor and direct the Vendor such that the BESS is operated to effectively, efficiently, and economically manage the Members need for energy;

WHEREAS, the Members and VMEA have determined that VMEA should bear the responsibilities for managing the operation of the BESS and the Members should pay their proportionate share of all costs under the Tolling Agreement pursuant to the terms and conditions agreed to herein;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties as follows:

ARTICLE 1

DEFINITIONS

- 1.1 BESS shall mean the combined battery electric storage system as defined in the Recitals.
- 1.2 Operations Account shall mean the specific VMEA bank account where the funds provided by the Participants for their proportionate share of the VMEA costs

associated with the BESS and the Tolling Agreement are deposited and from which VMEA will pay invoices tendered by the vendor pursuant to the Tolling Agreement as well as any other costs associated with the BESS.

- 1.3 Participant Share shall mean the percentage entitlement, as set forth in Section 3.4 below, to the benefits of the BESS and the percentage obligation to pay for the costs associated with the BESS and the Tolling Agreement.
- 1.4 Participants shall mean the members of VMEA that have entered into this Agreement and have a contractual right to the benefits of VMEA's operation of the BESS.
- 1.5 Parties shall mean the Participants and Virginia Municipal Electric Association #1.
- 1.6 Party shall mean any one of the Parties.
- 1.7 Power Sales Contracts shall mean the respective contracts between VMEA and the Participants for the sale and purchase of electric power and energy, as each may be amended from time to time.
- 1.8 Prudent Utility Practices shall mean any of the practices, methods and acts engaged in or accepted by a significant portion of the electric utility industry at the time the decision was made, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with reasonable reliability, safety, expedition and protection of the environment. Prudent Utility Practices are not intended to be limited to the optimum practices, methods or acts, to the exclusion of all others,

but rather to a spectrum of possible practices, methods or acts engaged in or accepted by a significant portion of the electric utility industry at the time the decision was made.

ARTICLE 2

TERM OF AGREEMENT

- 2.1 The effective date of this Agreement coincides with the effective date of the Tolling Agreement. VMEA shall provide the Participants with written notice of the effective date of this Agreement as soon as that date is known to VMEA.
- 2.2 The initial term of this Agreement coincides with the initial 15-year term, plus the up to additional six months for decommissioning and restoration of the site on which the BESS is located, of the Tolling Agreement. In the event of an early termination of the Tolling Agreement or other termination of the Tolling Agreement, this Agreement shall terminate automatically upon the termination of the Tolling Agreement. In the event that the term of the Tolling Agreement is extended, the term of this Agreement shall be extended automatically for an equivalent term. Notwithstanding the termination of this Agreement, to the extent VMEA has payment obligations pursuant to the Tolling Agreement and so long as VMEA has such payment obligations, each Participant shall continue to pay its Participant Share of the VMEA payment obligation.
- 2.3 All Participants, acting unanimously, may terminate this Agreement on not less than 12 months' written notice to VMEA, if VMEA, in its sole judgment, determines that such termination can be accomplished without harm to VMEA in light of contractual arrangements related to the BESS or the Tolling Agreement

and made by VMEA on behalf of the Participants, or because the Participants are able and willing to assume any such contractual commitments.

- 2.4 Upon the termination of this Agreement without provision for assumption of the Tolling Agreement by the Participants, VMEA shall dispose of its interest in the Tolling Agreement and rights to the capability of the BESS and distribute the proceeds, net of VMEA's total costs associated with disposing of those interests and rights and any outstanding expenses, costs or claims associated with the Tolling Agreement, to the Participants on the basis of each Participant's undivided Participant Share in the benefits of VMEA's operation of the BESS as set forth in Section 3.4.

ARTICLE 3

ALLOCATION OF RIGHTS AND OBLIGATIONS

- 3.1 Each Participant agrees to pay its Participant Share of the total costs incurred by VMEA in connection with the installation of the BESS facilities at [description of Manassas location] and [description of HEC location]. Such costs include, but are not limited to, the costs incurred by the City of Manassas and Harrisonburg Electric Commission ("HEC") for the design, purchase, construction, and installation of facilities necessary to interconnect the BESS facilities to their respective electric systems as well as all charges invoiced to VMEA pursuant to the Tolling Agreement as well as any incremental increase in real estate taxes, assessments, or charges directly resulting from the presence of the BESS facilities installed at HEC or Manassas.

- 3.2 Each Participant agrees to pay its Participant Share of the costs incurred by VMEA under the Tolling Agreement.
- 3.3 Each Participant shall receive its Participant Share of the benefits VMEA accrues from exercising VMEA's rights under the Tolling Agreement.
- 3.4 The Participant Share of each Participant is:

Participant	Participant Share
Town of Blackstone	4.437255%
Town of Culpeper	3.286328%
Town of Elkton	1.936708%
City of Franklin	13.623793%
Harrisonburg Electric Commission	48.580162%
City of Manassas	26.959483%
Town of Wakefield	1.176271%

ARTICLE 4

COST OF OPERATIONS

- 4.1 During the term of this Agreement, each Participant agrees to pay its Participant Share of the total costs incurred by VMEA associated with the operation of the BESS and VMEA's obligations under the Tolling Agreement. VMEA shall invoice the Participants and Participants shall make payment in accordance with the Supplemental Requirements Schedule included as a part of the Power Sales Contract.

- 4.2 If, in its sole judgment, VMEA determines that revenues from sales to Participants under the Power Sales Contracts may not be sufficient for the timely payment of any costs associated with the operation of the BESS and obligations under the Tolling Agreement, VMEA may include as part of the monthly bill to the Participants under the Power Sales Contracts an additional charge.

ARTICLE 5

TRANSFER OR ASSIGNMENT

- 5.1 No Participant shall have the right to sell, lease, convey, transfer, assign or alienate (collectively referred to in this Section as “convey”) its rights, interests, and obligations, or any portion thereof, in or associated with the BESS, the Tolling Agreement, or this Agreement to a non-Participant. A Participant shall have the right to convey such rights, interests, and obligations, or any portion thereof, to the other Participants; provided, however, the Participant offers such conveyance to the other Participants in the form of a proposed contract to each of the other Participants with such offer open for acceptance by the other Participants for a period of 180 days. The Participants desiring to accept the offer shall have the right to purchase in proportion to the respective interests (as set forth in Section 3.4) of all Participants desiring to accept. In the event such offer is not accepted by the other Participants, or one of them, within the aforesaid period and the selling Participant does not consummate a conveyance of its rights or interests within a period of one year after the date of its offer to the other Participants, no such conveyance may be consummated with a Participant without re-offering the conveyance to the other Participants under the same conditions set

forth above. In no event shall a Participant offer to convey its rights or interests to one or more Participants on terms materially at variance from those set forth in the proposed contract offer to the other Participants.

- 5.2 This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties to this Agreement. No assignment or transfer of this Agreement shall relieve the Parties of any obligations hereunder.

ARTICLE 6

SALE OF MEMBER'S UTILITY SYSTEM OR TERMINATION OF MEMBERSHIP IN VMEA

- 6.1 In the event a Participant sells, leases, abandons, or otherwise disposes of all or substantially all, of its electric utility system or terminates its membership in VMEA ("Exiting Participant"), such Exiting Participant shall forfeit its rights and interests in or associated with the benefits of VMEA's operation of the BESS, the Tolling Agreement, and this Agreement.
- 6.2 In the event Exiting Participant forfeits its rights and interests in or associated with the BESS, the Tolling Agreement, and this Agreement, the Participant Shares set forth in Section 3.4 above shall be automatically increased to reflect a pro rata reallocation of Exiting Participant's Participant Share to the remaining Participants. Notwithstanding such forfeiture, Exiting Participant shall remain responsible for its original Participant Share of costs of the Tolling Agreement.
- 6.3 Nothing in this Article 6 is intended to modify, does not modify, and shall not be interpreted to modify the rights and obligations between a Participant, including an Exiting Participant, and VMEA under any other agreement between such Participant and VMEA or any other agreement between all of the Participants and VMEA.

ARTICLE 7

RESPONSIBILITIES OF VMEA

- 7.1 It is understood and agreed by the Parties that VMEA shall have the sole discretion, right, obligation, and authority to manage the BESS and the Tolling Agreement. Consistent with Prudent Utility Practice, VMEA shall use its reasonable discretion with respect to directing the Vendor to charge and discharge the BESS to economically and efficiently manage VMEA's total cost of power, transmission, ancillary services, and any other services that must be obtained in connection with the delivery of power to the Participants.
- 7.2 It is understood and agreed that VMEA shall have the sole discretion, right, obligation, and authority to determine the use and operation of the BESS pursuant to the Tolling Agreement. VMEA may exercise such discretion, rights, obligation, and authority by contracting with a qualified third party, or otherwise. No Participant may use the BESS or exercise rights under the Tolling Agreement except as authorized in writing by VMEA.

ARTICLE 8

LIABILITY

- 8.1 It is understood and agreed that VMEA's liability to Participants under this Agreement with respect to the BESS and the Tolling Agreement is limited to (1) VMEA's obligation to contractually require the party or parties with which VMEA contracts in connection with the BESS to perform those obligations using good faith and Prudent Utility Practices and (2) VMEA's use of good faith in the establishment, maintenance, and disbursements from the Operations Account.

- 8.2 It is understood and agreed that the Participants shall be jointly but not severally liable for the burden, expense and risk of loss incurred in connection with their rights and interests in the BESS and the Tolling Agreement. No Participant shall be liable to any third person or entity for any other Participant's share of any obligation or liability, and each Participant shall indemnify and hold all other Participants harmless from any responsibility for such Participant's proportionate share of all such obligations and liabilities.

ARTICLE 9

NO OBSTRUCTION AND COOPERATION

- 9.1 The Participants shall take no action the effect of which would be to prevent, hinder or delay VMEA from the timely fulfillment of its obligations under this Agreement or any other agreements or contracts between VMEA and one or more Participants, or suppliers of electric power and energy, transmission service or other related services. VMEA shall take no action the effect of which would be to prevent, hinder or delay the Participants from the timely fulfillment of their obligations under this Agreement or any other agreements or contracts between VMEA and one or more Participants, or suppliers of electric power and energy, transmission service or other related services.
- 9.2 From time to time after the execution of this Agreement, the Parties shall within their legal authority execute other documents as may be necessary, helpful, or appropriate to carry out the terms of this Agreement.
- 9.3 VMEA shall provide the Participants with reasonable access to its books and records. The Participants shall provide VMEA with reasonable access to their

books, records and other information as required to meet VMEA's contractual obligations and for other purposes related to or associated with VMEA's activities and operations.

ARTICLE 10

NOTICES

- 10.1 Any notice, demand or request (other than bills and payment) by the Parties under this Agreement shall be deemed properly given if electronically mailed or sent by courier, U.S Mail, certified mail (or similar mail service), postage prepaid, return receipt requested and addressed to VMEA and the Participants at the addresses set forth in Appendix A to this Agreement which is incorporated herein by reference.
- 10.2 In computing any period of time from such notice, such period shall commence at noon on the date mailed.
- 10.3 The designations of the name and address to which any such notice, demand or request is directed may be changed from time to time by any Party giving notice as above provided.

ARTICLE 11

SEVERABILITY

- 11.1 In the event that any of the terms, covenants or conditions of this Agreement, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction under the circumstances, the remainder of this Agreement and the application of its terms, covenants or conditions to such persons or circumstances shall continue in full force and effect. In the event of such invalidity, the Parties shall promptly

renegotiate in good faith valid new provisions to restore the Agreement to its original intent and effect.

ARTICLE 121

APPLICABLE LAW

- 12.1 This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

ARTICLE 13

SURVIVORSHIP OF OBLIGATIONS

- 13.1 The termination of this Agreement shall not discharge any Party from any obligation it owes to the other Parties under this Agreement by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination. It is the intent of the Parties that any such obligation owed, whether the same shall be known or unknown at the termination of this Agreement or whether the circumstances, events, or basis of the same shall be known or unknown at the termination of this Agreement, shall survive the termination of this Agreement.

ARTICLE 14

CONSTRUCTION

- 14.1 Headings and the table of contents have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such headings and table of contents are not a part of this Agreement and will not be used in the interpretation of any of the provisions of this Agreement.

- 14.2 All Appendices attached to this Agreement shall be incorporated into and be a part of this Agreement.
- 14.3 This Agreement shall constitute the entire understanding among the Parties, superseding any and all previous understandings, oral or written, pertaining to the subject matter contained herein. No Party has relied, or will rely, upon any oral or written representation or oral or written information made or given to such Party by any representative of the other Party or anyone on its behalf.
- 14.4 In computing any period of time prescribed or allowed under this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday, or a legal holiday in Virginia, in which event the period runs until the end of the next day which is not a Saturday, a Sunday, or a legal holiday in Virginia.

ARTICLE 15

ENFORCEMENT AND DISPUTES

- 15.1 In the event of any default by any Party or Parties under any covenant, agreement, or obligation of this Agreement, the other Party or Parties may, upon 15 days' prior written notice, bring any suit, action, or proceeding in law or equity, including mandamus, injunction, and action for specific performance as may be necessary or appropriate to enforce any covenant, agreement, or obligation of this Agreement against the other Party or Parties.
- 15.2 The failure of a Party or Parties to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other Party or Parties

of any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement or any part thereof, or the right of such Party or Parties to enforce each and every such provision.

- 15.3 In the event of a billing dispute between VMEA and the Participants under this Agreement, the dispute shall be resolved in accordance with Section 7.2 of the Participants' respective Power Sales Contracts.

ARTICLE 16

COUNTERPARTS

- 15.1 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. This Agreement shall not be legally binding on a Participant until it has been duly executed by VMEA and that Participant.

IN WITNESS WHEREOF, the Virginia Municipal Electric Association # 1 has caused this Agreement to be signed by Brian O'Dell, its President, pursuant to resolution of the Board of Directors adopted the __ day of _____, 2025.

IN FURTHER WITNESS, the Town of Blackstone, Virginia has caused this Agreement to be signed by _____, its Mayor, pursuant to resolution of the Council adopted the __ day of _____, 2025.

IN FURTHER WITNESS, the Town of Culpeper, Virginia has caused this Agreement to be signed by _____, its Mayor, pursuant to resolution of the Council adopted the __ day of _____, 2025.

IN FURTHER WITNESS, the Town of Elkton, Virginia has caused this Agreement to be signed by _____, its Mayor, pursuant to resolution of the Council adopted the __ day of _____, 2025.

IN FURTHER WITNESS, the City of Franklin, Virginia has caused this Agreement to be signed by _____, its Mayor, pursuant to resolution of the Council adopted the __ day of _____, 2025.

IN FURTHER WITNESS, the City of Manassas, Virginia has caused this Agreement to be signed by _____, its Mayor, pursuant to resolution of the Council adopted the __ day of _____, 2025.

IN FURTHER WITNESS, the Town of Wakefield, Virginia has caused this Agreement to be signed by _____, its Mayor, pursuant to resolution of the Council adopted the __ day of _____, 2025.

IN FURTHER WITNESS, the Harrisonburg Electric Commission of Harrisonburg, Virginia has caused this Agreement to be signed by _____,

its Chairman, pursuant to resolution of the Commission adopted the __ day of _____,
2025.

VIRGINIA MUNICIPAL ELECTRIC ASSOCIATION # 1

PRESIDENT

Witness

THE TOWN OF BLACKSTONE, VIRGINIA

MAYOR

Attest

THE TOWN OF ELKTON, VIRGINIA

MAYOR

Attest

THE CITY OF MANASSAS, VIRGINIA

MAYOR

Attest

THE TOWN OF CULPEPER, VIRGINIA

MAYOR

Attest

THE CITY OF FRANKLIN, VIRGINIA

MAYOR

Attest

THE TOWN OF WAKEFIELD, VIRGINIA

MAYOR

Attest

THE HARRISONBURG ELECTRIC COMMISSION

CHAIRMAN

Witness