

November 3, 2020

Mr. Brian O'Dell
General Manager
Harrisonburg Electric Commission
89 West Bruce Street
Harrisonburg, VA 22801-3699

Re: Letter Supplement for the Purchase of Electric Energy from Solar Facility for the Provision of Electric Service to Virginia Municipal Electric Association No. 1

Dear Mr. O'Dell:

This Letter Supplement dated November 3, 2020, and to be made effective on the date set forth below, by and between Virginia Municipal Electric Association No. 1 (the "**Customer**"), a Virginia nonstock corporation, and Virginia Electric and Power Company (the "**Seller**" or "**Dominion Energy Virginia**"), a Virginia public service corporation, (individually, a "**Party**" or collectively with the Customer, the "**Parties**"), supplements the *Amended and Restated Agreement for the Purchase of Electricity for Resale Between Virginia Electric and Power Company and Virginia Municipal Electric Association No. 1 effective January 1, 2011* (the "**Agreement**"), by and between the Customer, acting on behalf of one or more of its members, and Dominion Energy Virginia.

As the Customer desires to contract with Dominion Energy Virginia for the purchase of the Net Electrical Energy Output (as defined below) of the Seller's proposed solar facility identified below (the "**Facility**"), this Letter Supplement provides the terms underlying the Seller's sale, and the Customer's purchase, of such Net Electrical Energy Output from the proposed Facility for the Customer's members which will receive the benefits of this output, as more fully described below. Capitalized terms that are not expressly defined herein shall have the meanings given to them in the Agreement. This Letter Supplement is subject to the General Terms and Conditions attached hereto as Exhibit A, which are incorporated herein by this reference.

- I. **Solar Facility:** The Seller will construct, own, operate, and maintain the Facility and, after the Commercial Operation Date, the Customer will purchase the Facility's NEEO from the Seller on the terms and conditions of this Letter Supplement. The Facility shall be located on real property (the "**Site**") owned by one or more of the Customer's members (the "**Site Owner**"), leased to the Customer pursuant to a Site Lease entered into between the Customer and the Site Owner (the "**Site Lease**"), and subleased to the Seller pursuant to a Site Sublease entered into between the Seller and the Customer (the "**Site Sublease**"). The "**Net Electrical Energy Output**" or "**NEEO**" of the Facility shall equal the electrical energy output per hour measured in kWh that is delivered to Harrisonburg Electric Commission's electrical distribution system (the "**Delivery Point**"). The Facility will qualify as a renewable energy resource under the Applicable Program.

Facility Name: Acorn Solar

Facility Location: City of Harrisonburg, Virginia, as more fully described in the Site Sublease

Facility Nameplate Capacity: 1.43 MWac

Facility Technology: Solar

- II. Environmental Attributes:** Included with the Customer's purchase of the NEEO, the Customer will receive the benefits of the Environmental Attributes associated with the NEEO. The Facility will generate "Renewable Energy" as defined in § 56-576 of the Code of Virginia and qualify as a renewable energy standard eligible source under the Virginia renewable energy portfolio standard program (RPS Program) pursuant to § 56-585.5 of the Code of Virginia, or such other program as permitted by Section 9 of the General Terms and Conditions (the "**Applicable Program**"). The price for the Environmental Attributes is included in the Power Price (as defined below). The Seller will transfer to the Customer all Renewable Energy Certificates arising from the Environmental Attributes associated with the NEEO in the Generation Attribute Tracking System owned and operated by PJM Environmental Services, Inc., or any alternate or successor entity or tracking system (the "**Tracking System**"). "**Environmental Attributes**" means any aspect, claim, characteristic or benefit, howsoever entitled, associated with the generation of a quantity of electric energy by the Facility, other than the electric energy, capacity or other energy-related attributes, produced, and that is capable of being measured, verified or calculated. Environmental Attributes include Renewable Energy Certificates but do not include federal, state and local tax credits or other incentives. "**Renewable Energy Certificate**" or "**REC**" means the certificate or other transferable indicia created under the Applicable Program associated with one (1) megawatt hour ("**MWh**") of electric energy generated by the applicable renewable generation facility.
- III. Power Price:** The Power Price for the NEEO is \$xx.xx/mWh.
- IV. Delivery Term:** 25 years commencing on the Commercial Operation Date. The Seller will deliver written notice to the Customer identifying the Commercial Operation Date. "**Commercial Operation Date**" means the date on which all of the following conditions have been satisfied: (a) the Facility is capable of operating and delivering Net Electrical Energy Output to the Delivery Point; and (b) the Customer has received written notice from the Seller specifying the Commercial Operation Date and certifying that the Facility is ready to begin commercial operations. The Parties may, by mutual agreement and upon execution of an amendment to this Letter Supplement, extend the Delivery Term at any time prior to its expiration.
- V. Conditions Precedent:** The Seller's obligations under this Letter Supplement are expressly conditioned upon the following conditions (the "**Conditions Precedent**"): (a) Seller obtains any and all necessary permits, land rights, construction contracts and equipment contracts on terms and conditions that are acceptable to Seller and permit Seller to economically construct the Facility under the terms and conditions of this Letter Supplement; (b) Seller has had an opportunity to conduct adequate due diligence on the Site and has determined that the Site is acceptable to Seller and will permit Seller to

economically construct the Facility under the terms and conditions of this Letter Supplement; (c) Customer and Site Owner have executed and delivered the Site Lease; (d) Seller and Customer have executed and delivered the Site Sublease; (e) Seller has executed an engineering, procurement, and construction contract for the Facility and has issued a Notice to Proceed under such contract; and (e) Seller determines that Customer's and Site Owner's electricity requirements have not changed in a manner that would have a material adverse effect on Seller or the Facility or that are likely to impair Customer's ability to perform under this Letter Supplement. If the Conditions Precedent are not satisfied or waived within 12 months after the Effective Date, Seller may terminate this Letter Supplement without liability.

VI. Publicity: Each Party shall obtain the other Party's prior written approval, such approval not to be unreasonably withheld or delayed, of any press releases, media events, or notifications to the retail customers of Customer's members concerning this Letter Supplement, its terms, its subject matter, or the activities contemplated hereby. Neither Party may use the other Party's logo or other trademarks without such Party's prior written consent. Customer and Seller may agree in advance on specific statements that may be used by either Party without the need for additional approval from the other Party. Notwithstanding the foregoing, nothing contained herein shall limit either Party's (or its affiliates') rights to disclose the existence of this Letter Supplement and the general nature of the transactions described herein on any earnings call or in similar discussions with financial media or analysts, stockholders, and other members of the investment community, or as necessary to comply with any laws associated with the disclosure of contracts imposed on Customer.

VII. Address for Notices:

Customer

For VMEA No. 1
Brian D. O'Dell
Brian@hbgelec.com
Harrisonburg Electric Commission
89 West Bruce Street
Harrisonburg, VA 22801-3699

(p) 540-434-5361

Seller

Virginia Electric Power Company
Robert J. Trexler
Bob.trexler@dominionenergy.com
120 Tredegar Street
Richmond, VA 23219

(p) 804-771-3832

VIII. Authorized Signatory: The Parties hereby warrant that the individuals executing this Letter Supplement are duly authorized to execute this Letter Supplement on behalf of the Parties. This Letter Supplement may be executed by the Parties in one or more counterparts, all of which taken together, shall constitute one and the same instrument. The facsimile or pdf signatures of the Parties shall be deemed to constitute original signatures, and facsimile or pdf copies hereof shall be deemed to constitute duplicate originals.

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If you agree to the provisions of this Letter Supplement, please have an authorized official execute all three (3) originals in the spaces provided and return all three (3) original versions of the Letter Supplement to me for countersignature. Upon full execution, I will return a fully executed original of this Letter Supplement to you for your files.

Sincerely,

Robert J. Trexler
Director - Regulation

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Customer

Seller

Virginia Municipal Electric Association No. 1
By authority of the undersigned

Dominion Energy Virginia
By authority of the undersigned

By: Glenn Simpson
Title: President
Date:

By: Joe Woomer
Title: VP – Grid & Technical Solutions
Date:

The effective date of this Letter Supplement is: _____ (the “**Effective Date**”)
(To be completed by Dominion Energy Virginia only)

Letter Supplement Exhibit A General Terms and Conditions

Section 1 Development, Construction, Operation, and Maintenance of Facility.

1.1 At no cost to Customer, Seller shall be responsible for (a) designing, engineering, constructing, installing, operating and maintaining the Facility; (b) obtaining all governmental approvals and permits; (c) connecting the Facility to the Delivery Point; and (d) owning, installing, maintaining and testing all equipment prior to the Delivery Point. Seller shall construct, install, and test the Facility, or shall cause the construction, installation and testing of, the Facility at its sole cost and expense and consistent with applicable laws, prudent electrical practices and the terms of the Agreement and the Letter Supplement, including these General Terms and Conditions. At any time, Seller may modify the Facility Nameplate Capacity identified in the Letter Supplement to the extent necessary to accommodate Site conditions or a change in equipment, provided that Seller shall notify Customer of the change. Seller shall take all commercially reasonable steps necessary to cause the Commercial Operation Date to occur within twelve (12) months after the start of construction.

1.2 Customer shall, or shall cause its members to, own, install, maintain, and test all interconnection equipment connecting the Facility to Harrisonburg Electric Commission's electrical distribution system, at Customer's or its members' sole cost and expense and consistent with applicable laws, prudent electrical practices and the terms of the Agreement and the Letter Supplement, including these General Terms and Conditions. Customer shall cause the Site Owner to maintain the Site in accordance with the Site Lease and to comply with the Site Lease in all respects, and Customer shall maintain the Site in accordance with the Site Sublease and comply with the Site Sublease in all respects. To the best of its knowledge as of the Effective Date, Customer is unaware of any Site conditions or construction requirements that would materially increase the cost of installing the Facility at the Site or would materially increase the cost of operating or maintaining the Facility at the Site over the cost that would be typical or customary for facilities substantially similar to the Facility. Customer will promptly notify Seller of any change in the condition of the Site and/or any change or anticipated change involving adjacent property that could damage, impair or otherwise adversely affect the Facility. In the event that the Site Owner makes a modification to or change in use of the Site that has the effect of decreasing the ability of the Facility to generate NEEO, the Parties shall attempt in good faith to amend this Letter Supplement so as to restore to Seller the economic benefits of this Letter Supplement prior to such modification or change. If the Parties are unable to reach agreement on an amendment within ninety (90) days of the date that Customer or Site Owner notifies Seller of such modification or change, then Customer shall bear all of Seller's direct damages, costs and expenses associated with making Seller whole with respect to the reduction in NEEO generated by the Facility, and Seller may invoice Customer for such amounts.

Section 2 Benefits of Electricity. During the Delivery Term, Seller shall own, operate and maintain the Facility and otherwise perform its obligations hereunder in accordance with the prudent electrical practices and otherwise in accordance with this Letter Supplement. All NEEO and Environmental Attributes (collectively, "Products") shall be generated and produced on a Unit Contingent basis. "Unit Contingent" means that Seller has no obligation to deliver any Products to Customer if the Facility is not generating Products for any reason.

Section 3 Impact on Agreement Obligations. Customer shall continue to purchase electricity from Seller under the Agreement; provided, however, that Customer and Seller acknowledge and agree that (i) the quantity of Products purchased under this Letter Supplement, if any, will reduce the Customer's Retail Load for purposes of the calculation of NITS and Ancillary Services purchased by the Seller for VMEA under Section 3.2 of the Agreement; (ii) Products purchased under this Letter Supplement shall be included (i.e. added to the VMEA metered load) in the calculation of the Billing Demand in Section 4.7(b) for determining Generation Demand Charges under the Agreement; (iii) the terms of Section 3.6 of the Agreement shall not apply to the Products purchased under this Letter Supplement; (iv) when calculating the true-up under Section 4.3 of the Agreement, Seller shall not include any payments under this Letter Supplement; (v) the VMEA Monthly Coincident Peak Demand shall continue to apply notwithstanding any purchases under this Letter Supplement, and the Products purchased under this Letter Supplement shall be added back to the VMEA metered load when determining the VMEA Monthly Coincident Peak Demands when calculating the percentages described in Section 4.5(e) of the Agreement; (vi) the Products purchased under this Letter Supplement shall be a permitted exception to the provisions in Sections 3.1(c) of the Agreement prohibiting VMEA from using generation to reduce its Retail Load; and (vii) to the extent they conflict, the terms of this Letter Supplement shall supersede those of the Agreement with respect to the Products purchased under this Letter Supplement.

Section 4 Environmental Attributes.

4.1 Seller will, at its own cost, take the actions necessary to register and transfer to Customer the Environmental Attributes allocated to Customer under this Letter Supplement through the Tracking System. Seller is responsible for all fees and charges assessed against Seller associated with qualifying the Environmental Attributes and obtaining and transferring to the Customer such Environmental Attributes (excluding (i) the fees and charges associated with registering and maintaining Customer's account; (ii) other costs assessed against Customer; and (iii) any verification, including audit costs as provided below). Each transfer of the Renewable Energy Certificates will be made in accordance with the applicable Tracking System rules. To the extent required by such rules, Seller will be responsible for providing attestations suitable for use with the Tracking System to show chain-of-custody of the Renewable Energy Certificates. For accounting purposes, the Environmental Attributes will transfer to Customer upon Seller initializing the transfer of the Renewable Energy Certificates in the Tracking System without further action by Seller or Customer. Seller represents and warrants that, at the time of transfer of any Environmental Attributes, (i) Seller has good and marketable title to such Environmental Attributes; (ii) such Environmental Attributes have not been sold to any other Person or used to meet compliance requirements of any other regulatory or voluntary renewable energy program or standard, including any greenhouse gas reduction requirements; and (iii) Seller will transfer to Customer all right, title to and interest in such Environmental Attributes, free and clear of any liens or other encumbrances. Customer shall maintain its own account under the Tracking System and shall be responsible for all costs and expenses associated with such account. Seller shall initiate transfer of any Renewable Energy Certificates issued into Seller's account since the last delivery in the Tracking System within ten (10) Business Days after the end of each calendar month. Customer shall accept any transfer of Renewable Energy Certificates in the Tracking System within five (5) business days.

4.2 Customer may request that Seller transfer the Environmental Attributes to one of Customer's members or to a retail customer of a Customer member (each, a "**Transferee**") in lieu of transfer to Customer, provided that such Transferee agrees to retire the Environmental Attributes promptly after receipt and not to sell or otherwise further transfer the Environmental Attributes. Such transfer request must be in writing, and will be effective after forty-five (45) days following the later of (i) Seller's receipt of such request or (ii) Customer or Transferee providing Seller with information sufficient to identify Transferee's account in the Tracking System. Upon the effectiveness of the request, all references to Customer in Section 4.1 above shall be deemed to refer to the Transferee, and Customer shall be responsible for ensuring Transferee's compliance with the terms of Section 4.1.

Section 5 Sale and Delivery of Electricity.

5.1 The Power Price is for Products delivered at the Delivery Point. With the exception of the Products purchased under this Letter Supplement, which shall be billed at the Power Price, Customer will continue to be billed for all charges pursuant to and in accordance with the Agreement for its entire load.

5.2 Prior to the Commercial Operation Date, Seller shall notify Customer of the start and end date for each Contract Year (each a "**Contract Year**"). Except with respect to the first and last Contract Year, each Contract Year will be comprised of twelve consecutive months. The first Contract Year will commence on the Commercial Operation Date and terminate at the start of the next Contract Year, and the last Contract Year will end at the end of the Delivery Term and begin at the end of the previous Contract Year.

5.3 If, at any time, the NEEO exceeds Customer's demand for electricity or Customer or its members are otherwise unable to accept the NEEO (other than due to a Force Majeure Event or due to the fault of Seller), Customer shall be deemed to have accepted the NEEO at the Delivery Point and shall be billed for such quantities as though it had been delivered and accepted. The Parties intend that the NEEO will reduce Customer's load under the Agreement, but acknowledge that the NEEO is not expected to meet all demand of Customer or any of its members. Customer agrees that it will consume the NEEO as its primary supply to meet its demand and, to the extent the NEEO is not sufficient, will purchase the remaining electricity as part of the Full Requirements Electric Service of the Agreement.

5.4 All invoices to Customer shall be submitted and paid in accordance with the Agreement.

5.5 Seller shall, at its sole cost and expense, install, operate, maintain, repair, replace, and test the meter at the Delivery Point to measure the amount of NEEO delivered by Seller to Customer. Seller shall operate and maintain the meter in accordance with prudent electrical practices. The meter shall be used as the basis for calculating the NEEO to be billed under this Letter Supplement. Seller shall, at its sole cost and expense, calibrate the meter prior to its installation and at least biennially thereafter to ensure the accuracy of the meter. Customer may request that Seller perform more frequent testing, and any such testing in excess of the annual tests shall be at Customer's expense if such tests indicate that the meter is within plus or minus two percent (2%). Customer shall be entitled to witness such tests, and Seller shall provide Customer with such test results. If, upon testing, the meter is found to be accurate or in error by not more than plus or

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minus two percent (2%), then the previous recordings of such meter shall be considered accurate in computing deliveries of NEEO hereunder, but such meter shall be promptly adjusted to record correctly, if needed. If, upon testing, the meter is found to be inaccurate by an amount exceeding plus or minus two percent (2%), then Seller shall promptly repair or adjust such meter and any previous recordings by such meter shall be corrected to zero error. If no reliable information exists as to the period over which such meter registered inaccurately, it shall be assumed for purposes of correcting previously delivered invoices that such inaccuracy began at a point in time midway between the testing date and the next previous date on which such meter was tested and found to be accurate. If the difference in the previously invoiced amounts minus the adjusted payment is a positive number, that difference shall offset amounts owing by Customer to Seller in the subsequent billing period(s). If the difference is a negative number, the difference shall be added to the next billing period's invoice and paid by Customer to Seller. Customer or Customer's member may at its discretion install its own meter for the purposes of monitoring the NEEO and to act as a check meter in the event that the Seller's meter becomes erroneous or inactive; provided, however, that (i) such meter shall be used only to determine Seller meter errors and shall in no event be used for billing purposes absent an agreement of the Parties, (ii) such meter is located on Customer's side of the interconnection point, and (iii) such meter shall have no operational impact to the Facility or Seller's systems or meters.

Section 6 Representations and Warranties. Each Party represents and warrants to the other that: (a) it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing; (b) it has the power to execute this Letter Supplement, to deliver this Letter Supplement and to perform its obligations under this Letter Supplement and has taken all necessary action to authorize such execution, delivery and performance; (c) the execution, delivery and performance of the Letter Supplement do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; (d) all governmental and other consents that are required to have been obtained by it with respect to the execution and delivery of this Letter Supplement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; (e) its obligations under this Letter Supplement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)); and (f) there is not pending or, to its knowledge, threatened against it any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Letter Supplement or its ability to perform its obligations under this Letter Supplement.

Section 7 Force Majeure Events. To the extent a Party (the "**Claiming Party**") is prevented by a Force Majeure Event from carrying out, in whole or part, its obligations under this Letter Supplement and, as set forth below, such Party gives notice of the Force Majeure Event to the other Party, then each Party shall be excused from the performance of its obligations hereunder (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure Event). The Claiming Party will give notice to the non-Claiming Party setting forth the nature of the Force Majeure Event in reasonable detail sufficient to establish that the occurrence constitutes a Force Majeure Event as soon as possible after it has knowledge of the Force Majeure Event and shall remedy the Force Majeure Event with all reasonable dispatch. When the Claiming Party is able to resume performance of its obligations under this Letter Supplement, such Party shall give the non-Claiming Party written notice to that effect and the Parties shall resume performance hereunder. Notwithstanding the foregoing provisions, if the Force Majeure Event continues for a period in excess of three hundred sixty-five (365) consecutive days, then either Party will have the right to terminate this Letter Supplement by providing the other Party with not less than ten (10) business days' prior written notice. Upon the effective date of such termination neither Party shall have any further rights or obligations hereunder, except for those rights and obligations arising prior to the effective date of such termination, and neither Party shall be liable to the other Party for damages or otherwise owe to the other Party a termination payment of any kind. "**Force Majeure Event**" means any event or circumstance which wholly or partly prevents or delays the performance of any obligation arising under this Letter Supplement (other than the obligation to pay amounts due), but only if and to the extent (a) such event is not within the reasonable control, directly or indirectly, of the Claiming Party, (b) the Claiming Party has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party's ability to perform its obligations under this Letter Supplement and which by the exercise of reasonable diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (c) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Claiming Party. Notwithstanding the foregoing, a Force Majeure Event shall not include (i) a Party's economic or financial hardship or (ii) with respect to Customer, any event or circumstance that is within the reasonable control of the Site Owner.

Section 8 Events of Default and Termination.

8.1 Events of Default. If either Party (a “**Defaulting Party**”) fails to comply with or perform any obligation hereunder, or any material representation or warranty fails to be true, and such failure is not cured within sixty (60) days following receipt of written notice from the other party (the “**Non-Defaulting Party**”), then an “**Event of Default**” shall have occurred with respect to the Defaulting Party. Following the occurrence of an Event of Default, in addition to any other remedies available at law or in equity, the Non-Defaulting Party may elect to terminate this Letter Supplement on written notice to the Defaulting Party. Following issuance of such written notice, the Non-Defaulting Party shall use reasonable commercial efforts to mitigate its damages and shall be entitled to recover its Loss from the Defaulting Party plus other amounts due under this Letter Supplement. “**Loss**” means the amount that the Non-Defaulting Party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with termination of this Letter Supplement or, at the election of such Party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). A Party will determine its Loss as of the relevant termination date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A Party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets. Under no circumstances will a Non-Defaulting Party be obligated to pay amounts to a Defaulting Party as a result of the calculation of the Losses.

8.2 Termination. Notwithstanding any termination or amendment provisions of the Agreement, the Parties do not have the right to terminate this Letter Supplement except as expressly stated in this Letter Supplement or as otherwise mutually agreed in writing. This Letter Supplement shall automatically terminate upon the expiration or termination of the Site Lease or the Site Sublease. If the Site Lease is terminated due to breach, or if the Site Sublease is terminated due to Customer breach, it shall constitute an Event of Default as defined in Section 8.1 of this Letter Supplement, with Customer as the Defaulting Party. In the event of termination of the Agreement, those provisions of the Agreement necessary for the Parties to continue to perform their respective obligations, including but not limited to tendering invoices, making payments and resolving disputes, under this Letter Supplement shall survive such termination with respect to this Letter Supplement.

Section 9 Change in Law or Regulation.

9.1 It is understood by the Parties that each Party is entering into this Agreement in reliance on the Applicable Laws in effect on the date hereof. “**Applicable Law**” means any federal, national, state or local law, statute, regulation, code, ordinance, license, permit, compliance requirement, decision, order, writ, injunction, directive, judgment, policy, decree, including any judicial or administrative interpretations thereof, or any agreement, concession or arrangement with any Governmental Authority, applicable to either Party or either Party’s performance under this Letter Supplement, and any amendments or modifications to the foregoing. “**Governmental Authority**” means any U.S. federal, state, regional, local or municipal governmental body, agency, instrumentality, authority or entity established or controlled by a government or subdivision thereof, including any legislative, administrative or judicial body, or any person acting on behalf thereof. In the event that at any time during the term of this Letter Supplement, any Applicable Laws are changed or new Applicable Laws are promulgated and have a material adverse economic effect upon either Party (such Party being the “**Affected Party**”), and such event does not constitute a Force Majeure, the Affected Party shall have the option (the “**Renegotiation Option**”) to request renegotiation of the price or other terms of this Letter Supplement. The Renegotiation Option may be exercised by the Affected Party within a commercially reasonable period of time after such changed or new Applicable Law is promulgated, by written notice of the Affected Party’s desire to renegotiate, such notice to contain specific information about the new or changed Applicable Law and how it has a material adverse economic effect upon the Affected Party and the new price or terms desired by the Affected Party to remedy or reverse such material adverse economic effect (the “**Renegotiation Notice**”). If the Parties fail to agree upon a new price or terms satisfactory to both Parties within thirty (30) days after the other Party receives the Renegotiation Notice, or such other time period as agreed between the Parties, the Affected Party shall have the right to terminate this Letter Supplement as of the end of the applicable thirty (30) day period by giving written notice thereof to the other Party on or before such termination date.

9.2 If Customer, a Customer member, the municipal Governmental Authority with regulatory authority over the Customer member, or a third party Governmental Authority acting at the request or recommendation of Customer or a Customer member caused the change in or new Applicable Law, then (i) Customer shall not qualify as an Affected Party and (ii) the termination notice shall include the Affected Party’s calculation of Losses associated with the termination, calculated in accordance with Section 8.1 of this Letter Supplement but without regard to the last sentence of Section 8.1. Determination of Losses shall not take into account changes to the economics of this Letter Supplement that would result

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from the new or changed Applicable Laws. The amounts described in the termination notice shall be paid within ten (10) days after receipt of the termination notice.

9.3 If a third party Governmental Authority that is not acting at the request or recommendation of Customer or a Customer member and is not the municipal Governmental Authority with regulatory authority over the Customer member caused the change in or new Applicable Law, then upon the effective date of the termination, neither Party shall have any further rights or obligations hereunder, except for those rights and obligations arising prior to the effective date of such termination, and neither Party shall be liable to the other Party for damages or otherwise owe to the other Party a termination payment of any kind.

Section 10 Miscellaneous.

10.1 Interpretation. Unless expressly stated otherwise, references to a person or entity includes its successors and permitted assigns and, in the case of a governmental authority, any person or entity succeeding to its functions and capacities. Where a word or phrase is specifically defined, other grammatical forms of such word or phrase have corresponding meanings; the words "herein," "hereunder," "hereof" and "this Letter Supplement" refer to this Letter Supplement, taken as a whole, and not to any particular provision of this Letter Supplement; "including" means "including, for example and without limitation," and other forms of the verb "to include" are to be interpreted similarly; the word "or" is intended to be inclusive (i.e., "and/or") and not exclusive. All references to a given agreement, instrument or other document shall be a reference to that agreement, instrument or other document as modified, amended, supplemented and restated through the date as of which such reference is made. Any term defined, or provision incorporated in this Letter Supplement by reference to another document, instrument or agreement shall continue to have the meaning or effect ascribed thereto whether or not such other document, instrument or agreement is in effect.

10.2 Notices. Any notice or other communication in respect of this Letter Supplement may be given in any manner set forth below to the address or number or in accordance with the electronic messaging system details provided on the Letter Supplement and will be deemed effective as follows: if in writing and delivered in person or by courier, on the date it is delivered; if sent by facsimile transmission, on the date that transmission is received by the responsible employee listed as Notice contact on the coversheet attached hereto, and in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine); if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered, or its delivery is attempted; or if sent by electronic messaging system, on the date that electronic message is sent to the recipient and no delivery failure message is received by the sender, unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a business day that communication is delivered (or attempted) or received, as applicable, after the close of business on a business day, in which case that communication shall be deemed given and effective on the first following day that is a business day. Either Party may by notice to the other change the address or facsimile number or electronic messaging system details at which notices, or other communications are to be given to it.

10.3 Confidentiality. Subject to Section VI of the Letter Supplement, the Parties hereby acknowledge and agree that the existence and terms of this Letter Supplement, as well as the subject matters discussed herein, are confidential, and that the publication of any confidential commercial or financial information related to this Letter Supplement could cause financial and reputational harm to the Parties. To the extent that Customer receives a request for information related to this Letter Supplement and the subject matters discussed herein under the Virginia Freedom of Information Act (the "Act"), Va. Code §§ 2.2-3700, et seq., or under an equivalent law or legal authority, Customer and its counsel hereby agree to coordinate with Seller to determine whether any exemptions to the Act apply to the commercially sensitive information herein, and to produce only that information which Customer determines it is legally obligated to produce after such consultations with Seller and its counsel. In addition, Seller may disclose this Letter Supplement or any part thereof if required to do so by any applicable law or regulation or in connection with any regulatory inquiry or proceeding.

10.4 Governing Law. THIS LETTER SUPPLEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

10.5 LIMITATION OF LIABILITY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, NO PARTY SHALL BE REQUIRED TO PAY OR BE LIABLE FOR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR INDIRECT DAMAGES, LOSSES, OR COSTS (WHETHER OR NOT ARISING FROM ITS NEGLIGENCE OR STRICT LIABILITY) TO ANY OTHER PARTY, EVEN IF THE PARTIES HAVE KNOWLEDGE

OF THE POSSIBILITY OF SUCH DAMAGES OR COSTS AND WHETHER OR NOT SUCH DAMAGES OR COSTS ARE FORESEEABLE; PROVIDED, HOWEVER, THAT NOTHING IN THIS PROVISION SHALL AFFECT THE ENFORCEABILITY OF SECTION 1.2 OR OF ANY OTHER SECTION OF THIS LETTER SUPPLEMENT THAT REQUIRES PAYMENT OF SPECIFIED AMOUNTS. IF AND TO THE EXTENT ANY PAYMENT REQUIRED TO BE MADE PURSUANT TO THIS LETTER SUPPLEMENT IS DEEMED TO CONSTITUTE LIQUIDATED DAMAGES, THE PARTIES ACKNOWLEDGE AND AGREE THAT SUCH DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE AND THAT SUCH PAYMENT IS INTENDED TO BE A REASONABLE APPROXIMATION OF THE AMOUNT OF SUCH DAMAGES AND NOT A PENALTY. THE PARTIES AGREE THAT THE FOREGOING LIMITATIONS WILL NOT IN ANY WAY LIMIT LIABILITY OR DAMAGES UNDER ANY THIRD-PARTY CLAIMS. STATUTORY DAMAGES AWARDED WILL BE DEEMED TO BE DIRECT AND COMPENSATORY, AND NOT PUNITIVE OR EXEMPLARY DAMAGES.

10.6 Assignment. Neither Party may assign this Letter Supplement in whole or in part without the prior written consent of the other Party, which consent may not be unreasonably withheld, delayed, or conditioned; provided, however, that Seller may assign this Letter Supplement to any affiliate on written notice to Customer if (i) the affiliate's creditworthiness is equal to or stronger than Seller or (ii) the affiliate's ultimate parent company issues a guaranty covering the affiliate's payment obligations under this Letter Supplement; and provided further that, upon the expiration or termination of the Agreement, Customer may assign this Letter Supplement to Harrisonburg Electric Commission on at least ninety (90) days' advance written notice to Seller..

10.7 Waiver. No delay or omission by the Parties in exercising any right or remedy provided for herein shall constitute a waiver of such right or remedy nor shall it be construed as a bar to or waiver of any such right or remedy on any future occasion. Each Party, in its sole discretion, shall have the right, but shall have no obligation, to waive, defer or reduce any of the requirements to which the other Party is subject under this Letter Supplement at any time; provided, however, that neither Party shall be deemed to have waived, deferred or reduced any such requirements unless such action is in writing and signed by the waiving Party. A Party's exercise of any rights in this Letter Supplement shall apply only to such requirements and on such occasions as such Party may specify and shall in no event relieve the other Party of any requirements or other obligations not so specified.

10.8 Entire Agreement; Amendments. This Letter Supplement and the Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous discussions, agreements and commitments between the Parties with respect hereto and thereto, and any prior and contemporaneous confidentiality agreements executed by the Parties in respect of the transactions contemplated by this Letter Supplement. There are no agreements or understandings between the Parties respecting the subject matter hereof or thereof, whether oral or written, other than those set forth herein or therein, and neither Party has relied upon any representation, express or implied, not contained in this Letter Supplement and the Agreement. This Letter Supplement may be modified or amended only by an instrument in writing signed by the Parties.

10.9 Status of the Parties. Seller is an independent contractor, and nothing contained herein shall be construed as constituting any relationship with Customer other than that of purchaser and independent contractor, nor shall it be construed as creating any relationship whatsoever between the Parties, including employer/employee, partners or joint venture parties.

10.10 Survival. All provisions of this Letter Supplement that either expressly by their terms survive or, by their nature are to survive or come into or continue in force and effect after the termination of this Letter Supplement shall remain in effect and be enforceable following such termination.

10.11 Further Assurances. Each Party agrees to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Letter Supplement and which do not involve the assumptions of obligations other than those provided for in this Letter Supplement, in order to give full effect to this Letter Supplement and to carry out the intent of this Letter Supplement.

10.12 Headings. The headings to Articles, Sections and Exhibits of this Letter Supplement are for ease of reference only and in no way define, describe, extend or limit the scope of intent of this Letter Supplement or the intent of any provision contained herein.

10.13 No Rights in Third Parties. Except to the extent expressly provided herein, this Letter Supplement and all rights in this Letter Supplement are intended for the sole benefit of the Parties hereto and shall not imply or create any rights on the part of, or obligations to, any other Person.

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10.14 Severability. The invalidity of one or more phrases, sentences, clauses, Sections or Articles contained in this Letter Supplement shall not affect the validity of the remaining portions of this Letter Supplement so long as the material purposes of this Letter Supplement can be determined and effectuated.

10.15 Joint Effort. Preparation of this Letter Supplement has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of the Parties than against the other. Any rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Letter Supplement, or any amendments or Exhibits hereto.

10.16 Remedies Cumulative. Except as provided in this Letter Supplement, the rights, powers, remedies and privileges provided in this Letter Supplement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by applicable law.

10.17 Contract for Physical Delivery. As of the Effective Date, the Parties intend that the transaction contemplated in this Agreement be a physical forward contract and that the transaction falls within the forward contract exclusion for the “swap” and “future delivery” definition in the Commodity Exchange Act, and that the Parties are not treating this transaction as a hedge or a derivative.

10.18 Regulation. This Agreement is subject to the jurisdiction of the FERC. This Agreement is a service agreement under Seller’s Wholesale Market-Based Rate Tariff and does not need to be filed with the FERC.

[End of General Terms and Conditions]