

Instructions for Renewable Standard Offer Application

INTRODUCTION

This document provides instructions on how to apply to the Renewable Standard Offer. Make sure that you have read and understand the Renewable Standard Offer Guidelines, the Renewable Standard Offer Contract, and the Renewable Standard Offer Overview. Applicants should refer to the Renewable Standard Offer Guidelines for the definitions of capitalized terms within the Application and in these instructions. In addition to completing the Renewable Standard Offer Application, other documents must be submitted for the Application package to be considered complete. Those documents or requirements are listed below under the heading “Application Package.” Instructions for submission of the Application Package to the Tennessee Valley Authority (TVA) are provided below under the heading “Submission Instructions.” Upon delivery of the completed Application package, TVA will endeavor to inform the Applicant of its receipt within 10 Business Days.

Notwithstanding anything contained in the Renewable Standard Offer Guidelines or in the Renewable Standard Offer Contract, Applicants are solely responsible for ensuring the technical, regulatory, and financial viability of their Projects, and TVA shall have no responsibility whatsoever to independently assess the viability of any Application or Project nor any liability whatsoever in the event that a Project is not or becomes no longer viable in any respect. Submission or acceptance of an Application does not create any binding obligation between TVA and the Applicant.

APPLICATION FORM

The Renewable Standard Offer Application consists of four parts. Section 1 collects general applicant information; Section 2 is used to determine Project eligibility for the Renewable Standard Offer; Section 3 is used to ascertain interconnection requirements for the Project; and, Section 4 provides a series of declarations that the Applicant has to make for the Application to be valid.

(a) Section 1: General applicant information

In this section, the Applicant is asked to provide contract information, information on the Person identified as the secondary contact, the type and organizational form along with officers and board members (if applicable), and a Federal Tax Identification Number.

(b) Section 2: Project eligibility requirements

This section pertains to the Project eligibility requirements discussed in Sections 2 and 3 of the Renewable Standard Offer Guidelines. You will need to specify: the type of renewable energy technology, if biomass, the fuel source; the gross nameplate capacity, the expected capacity factor; , the electrical generator output, and the estimated system installed cost.

(c) Section 3: Project interconnection requirements

In this section, the Applicant is asked to provide interconnection information for the proposed Project. This includes the expected initial delivery date, if the project is to be connected to TVA or a distributor, and the location of the project, including Global Positioning System (GPS) coordinates.

Before completing this section, the Applicant should consult with the Distributor or TVA, depending on with which system the Project will be interconnected.

(d) Section 4. Mandatory acknowledgements

This section must be initialed in addition to signing the Application. Failure to do so will result in rejection of the Application as being incomplete.

APPLICATION PACKAGE

(a) Application form and checklist

In addition to the completed Application, the Applicant must include in the application package a copy of the application checklist found in the appendix of these instructions. The checklist must be completed by putting a checkmark beside each of the items included in the application package. The application checklist will indicate what materials TVA can expect to find in your application package when your submission is reviewed. For an Application to be considered complete, the checklist must be returned with the Application.

(b) Application fee

The application fee is based on the proposed generating capacity (“Gross Nameplate Capacity”) of the Project and is determined as follows:

- \$0.50 per kilowatt (kW) of Gross Nameplate Capacity.
- The application fee must be in U.S. dollars, and in the form of a certified check, money order, or bank draft made payable to Tennessee Valley Authority.

The application fee is non-refundable.

(c) Authorization letter

All Applicants must provide an authorization letter addressed jointly to TVA and the Distributor (as applicable), and signed by the Applicant. The letter authorizes the Distributor (as applicable) to provide TVA any and all information relating to the Applicant or the Project, and each of its connections, meters, meter and billing data, and other necessary information as TVA may require for the purposes of evaluating the Application and/or offering or administering a Renewable Standard Offer Contract.

A copy of the prescribed form for such a letter is included at the end of this document.

(d) Evidence of land access rights

An Application must provide evidence that the Applicant has either title or rights of access to the proposed project site, sufficient to build, operate, and maintain the Project, enforceable by contract for the

term of the Renewable Standard Offer Contract (“Access Rights”). Such Access Rights may include ownership, a lease, option, letter of intent, memorandum of understanding, or other grant conditional only on (i) the Applicant entering into the Renewable Standard Offer Contract and (ii) the Supplier under the Renewable Standard Offer Contract being issued Notice to Proceed.

Where an Application is for a Project on TVA Property or water-ways, evidence must be included in the Application that the appropriate Access Rights have been obtained, and that TVA has granted the appropriate permits for the Term of the Renewable Standard Offer Contract. Copies of documents establishing Access Rights need to be included in the Application Package.

(e) Creditworthiness

Applicant will be subject to a complete credit evaluation and analysis in order for TVA to determine the Applicant or Guarantor’s creditworthiness. In completing the credit evaluation, TVA will consider many factors including, but not limited to the following documentation that an Applicant must submit with respect to both itself and any proposed Guarantor:

- 1) Financial Statements:
 - a) Audited financial statements for the last three (3) preceding fiscal years that include balance sheets, income statements, statements of cash flows and notes to the financial statements.
 - b) Interim financial statements for the most recent fiscal quarter, or
 - c) If publicly traded:
 - i) Annual report on Form 10-K for the last three (3) preceding fiscal years
 - ii) Form 10-Q for the most recent fiscal period.
- 2) Rating Agency Reports (S&P, Moody’s, and Fitch), if available.
- 3) Bank Information (name, address, phone number, and officer contact).
- 4) Credit References (from three (3) sources that include name, address, phone number, and contact).
- 5) Legal name and the state of incorporation.
- 6) Shareholder ownership schedule (if applicable).
- 7) Complete disclosure of any material litigation, commitments or contingencies, etc.

SUBMISSION INSTRUCTIONS

The completed application package should be mailed to:

Tennessee Valley Authority
Attn.: Renewable Standard Offer
1101 Market Street, LP 3D
Chattanooga, TN 37402-2801

Materials must include:

- Two paper copies, one marked as “Original” and one marked as “Copy”
- One searchable electronic version provided on a CD-ROM.

The Applicant must sign and initial the paper original with indelible ink. All copies of the application, including the electronic version, must include all of the required documentation as itemized on the checklist. The application fee must accompany the application.

CHECKLIST FOR COMPLETE APPLICATION

Application Fee

Application Form

Authorization Letter

Evidence of Land Access Rights

Creditworthiness Documentation

This Checklist

Prescribed Form: Authorization Letter

TO: <Full legal name of the Distributor> (the “Distributor”)

AND TO: Tennessee Valley Authority (“TVA”)

RE: Disclosure of Information Concerning Renewable Standard Offer

<Applicants full legal name> (the “Seller”), as the owner, developer, and operator of the electricity generation facility located or to be located at <Project Address> and connected or to be connected to either the TVA Transmission System or the Distributor’s electric system at <Description of connection point> (the “Connection Point”), hereby irrevocably authorizes and consents to your releasing, disclosing, providing, delivering, and otherwise making available to TVA or to its agents, successors and assigns, any and all such information relating to the connections, proposed connections, meters, meter data, testing data pertaining to operational capability, billing data, and other necessary information as TVA, its agents, successors, or assigns may advise is required in connection with the evaluation, offer, and administration of a contract under TVA’s Renewable Standard Offer.

DATED as of the _____ day of _____, 20_____.

SELLER

By: _____

Name: _____

Title: _____

I certify that I have the authority to bind the Seller.