

1 Q. Re: GRK-NLH-31, MF PPA

2 Citation (pp. 25 and 26 of 76)

3 3.1 Energy Allocation

4 (c) NLH Deferred Energy - Throughout the Term, Muskrat shall maintain an account of
5 Energy for NLH which shall never be less than zero (the "NLH Deferred Energy"), that:

6 (i) shall be increased (A) during the Commissioning Period, by the amount of Energy
7 designated by NLH to be deferred pursuant to Section 3.3(a), and (B) at the end of
8 each Operating Year until the end of the 50th Operating Year, by the amount of
9 Energy by which the Delivered Energy in such Operating Year is less than the
10 aggregate of Base Block Energy and Supplemental Block Energy;

11 Preamble: Under the PPA, any failure of Muskrat Falls to provide the amounts of
12 energy called for therein (Base Block Energy and Supplemental Block Energy) will
13 result in increasing the NLH Deferred Energy account, to be delivered at a later
14 time, but will result in no other penalties, monetary or otherwise.

15 Please confirm or correct the statement in the Preamble.

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18 A. The statement in the Preamble has been corrected to read as follows:

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20 Under the PPA, any failure of Muskrat Falls to provide the amounts of energy called
21 for therein (Base Block Energy and Supplemental Block Energy) will result in either:

22 i) increasing the NLH Deferred Energy account, to be delivered at a later time, or ii)
23 receiving payment¹, or iii) a combination of i) and ii). In any case, if, as a result of a

24 Muskrat Falls default the PPA Services cannot be provided, in whole or in part, to

¹ Refer to Section 4.5(c) and (d) of the NLH-MF PPA.

1 Hydro for 24 consecutive hours or 24 non-consecutive hours in a seven-day period,
2 then Hydro may assume Operational Control of the MF Plant.²

3
4 After the date on which the Initial Financing is Paid in Full and until the end of the
5 Supply Period, if Hydro does not receive the entire energy provided for in the NL
6 energy schedule and the NLH Deferred Energy is not otherwise deferred or sold,
7 then Hydro shall pay for only the pro rata portion of the Base Block Payments for
8 such energy received, deferred or sold.³

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10 For more information supporting the modified Preamble, refer to Sections 3.4(d),
11 3.5(d), 14.3 and 14.6 of the MF-NLH PPA.

² Refer to Section 14.6(a) of the NLH-MF PPA.

³ Refer to Section 4.2(e) of the NLH-MF PPA.