



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

FREEDOM OF INFORMATION ACT PROGRAM

June 23, 2025

In reply refer to: FOIA BPA-2024-02922-F

SENT VIA EMAIL ONLY TO: jparekh@earthjustice.org

Jaimini Parekh
Senior Attorney
Earthjustice
810 Third Avenue, Suite 610
Seattle, Washington 98104

Dear Ms. Parekh,

This communication is the Bonneville Power Administration's (BPA) final response to your request for agency records made under the Freedom of Information Act, 5 U.S.C. § 552 (FOIA). BPA received your records request on April 23, 2025, and formally acknowledged your request on May 21, 2025.

Request

You seek, "...[referencing] Exhibit A ... the Motion for Leave to Answer and Answer of the Bonneville Power Administration filed by BPA in FERC Docket No. Docket No. ER25-1372-000 on April 1, 2025. This FOIA seeks ... :

1. ... the "letter of assurances" referred to on page 3 of Exhibit A.
2. ... a final signed copy of the SPP Phase 2 Funding Agreement."

Clarification

Via emails exchanged with the agency between April 23, 2025, and May 8, 2025, you expanded the scope of your request to the following agency records:

1. ... the "letter of assurances" referred to on page 3 of Exhibit A, including the draft (as it existed on Apr 23 – the request in-date) and the final.
2. ... a final signed copy of the SPP Phase 2 Funding Agreement, to include the final document, with signatures, and all attachments.

Response

BPA collected responsive records from the agency's General Counsel office. Accompanying this communication are 56 pages of records, with no redactions applied.

Fee

There are no fees associated with processing your FOIA request.

Certification

Pursuant to 10 C.F.R. § 1004.7(b)(2), I am the individual responsible for the records search, the redactions applied thereto, and the release described above. Your FOIA request is now closed with the responsive agency information provided.

Appeal

The records release certified above is final. Pursuant to 10 C.F.R. § 1004.8, you may appeal the adequacy of the records search, and the completeness of this final release, within 90 calendar days from the date of this communication. Appeals should be addressed to:

Director, Office of Hearings and Appeals
HG-1, L'Enfant Plaza
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585-1615

The written appeal, including the envelope, must clearly indicate that a FOIA appeal is being made. You may also submit your appeal by e-mail to OHA.filings@hq.doe.gov, including the phrase "Freedom of Information Appeal" in the subject line. (The Office of Hearings and Appeals prefers to receive appeals by email.) The appeal must contain all the elements required by 10 C.F.R. § 1004.8, including a copy of the determination letter. Thereafter, judicial review will be available to you in the Federal District Court either (1) in the district where you reside, (2) where you have your principal place of business, (3) where DOE's records are situated, or (4) in the District of Columbia.

Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001
E-mail: ogis@nara.gov
Phone: 202-741-5770
Toll-free: 1-877-684-6448
Fax: 202-741-5769

Questions about this communication may be directed to James King, FOIA Public Liaison, at jjking@bpa.gov or at 503-230-7621.

Sincerely,

Candice D. Palen
Freedom of Information/Privacy Act Officer

[Agency records responsive to your FOIA request accompany this communication.](#)

[Bracewell Comments 3/17/25]

[Bonneville Power Administration Letterhead]

[] [], 2025

Simmons Bank

[]

[]

Attention: []

Re: Markets+ Phase 2 Funding Agreement and Phase 2 Financing

Dear []:

This letter is in reference to the Markets+ Phase 2 Funding Agreement (as amended, restated, supplemented, or otherwise modified from time to time, the “Agreement”), effective as of February 13, 2025, entered into among Southwest Power Pool, Inc. (“SPP”), Bonneville Power Administration (“Bonneville”), a federal entity in its capacity as a Funding Participant, and other Funding Participants. Capitalized terms used but not defined in this letter have the meanings ascribed to them in the Agreement.

Pursuant to the terms of the Agreement, Bonneville is responsible for the Stage 1 Phase 2 Obligation and Phase 2 Obligation attributable to it (the “Funding Agreement Obligations”). Bonneville is unable to secure its obligations under the Agreement. More specifically, Bonneville is prohibited from posting cash or other collateral (whether directly or through an intermediary) or obtaining letters of credit to secure its contractual obligations or otherwise expend funds in advance of services provided or the receipt of goods; rather, all Bonneville funds must be deposited with the U.S. Treasury. See 31 U.S.C. §§ 3301, 3302, 3324.

Bonneville is “self-financed” from its own revenues and does not rely on annual appropriations from the U.S. Congress. In accordance with the Federal Columbia River Transmission System Act of 1974 (Public Law 93-454) (the “Transmission Act”), Bonneville funds the expense portion of its budget and repays the federal investment with revenues from electric power and transmission sales and services, trust funds, proceeds from the sale of bonds by Bonneville to the U.S. Treasury, and any other Bonneville cash receipts. The Bonneville Fund, a self-financed fund established within the U.S. Treasury by the Transmission Act, is available to Bonneville on a permanent, revolving basis, and is not subject to sequestration. See 2 U.S.C. § 905(g)(1)(A). Moreover, the Secretary of Energy, acting by and through the Administrator of Bonneville, may enter into contractual obligations requiring cash payments that exceed, at the time the obligation is created, the sum of the amount of cash in the Bonneville Fund and available borrowing authority. See 16 U.S.C. § 838i note. Pursuant to the Bonneville Project Act of 1937, Bonneville has broad authority to enter into contracts and make expenditures to accomplish its objectives.

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Nevertheless, as a federal entity, pursuant to Section 838k(b) of the Transmission System Act, (Public Law 93-454), Bonneville is required to set its rates at an amount sufficient to allow it to meet its financial obligations to all other parties before making repayment of the federal investment in the Federal Columbia River Power System. In other words, Bonneville is required to pay all non-federal financial obligations before remitting any monies to the U.S. Treasury each year; notably, Bonneville has made its scheduled payments (up to \$1 billion annually) to the U.S. Treasury on time and in full for the past 41 years. Bonneville is authorized to make expenditures from the Bonneville Fund without further appropriation and without fiscal year limitation if such expenditures have been included in Bonneville's annual budget to Congress.

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Deleted: Pacific Northwest Electric Power Planning and Conservation Act

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In addition, pursuant to the Prompt Payment Act, 5 C.F.R. § 1315, federal agencies such as Bonneville are required to pay commercial obligations within certain time periods and to pay interest penalties when payments are late. The Prompt Payment Act applies to all contracts of Bonneville except those contracts with other federal entities and those contracts for utilities where state, local, or foreign authorities impose generally applicable late payment penalties for late utility payments.

Based on Bonneville's strong historical performance and other factors, Bonneville currently maintains strong credit ratings from the major rating agencies. In May 2024, debt instruments issued by non-federal entities but secured by payment and other financial commitments provided by Bonneville received the following credit ratings: Standard & Poor's at "AA-" with a stable outlook, Fitch at "AA" with a stable outlook, and Moody's at "Aa1" with a negative outlook.

Bonneville recognizes the Funding Agreement Obligations established under the Agreement, acknowledges that Bonneville is obligated to pay such obligations in accordance with the contractual terms of the Agreement, and agrees that Funding Agreement Obligations arising from the Agreement will be sufficiently communicated in its annual budget to Congress. Bonneville further acknowledges that the Funding Agreement Obligations payable by Bonneville under the Agreement and other operating and maintenance expenses have priority over payments by Bonneville to the U.S. Treasury.

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Bonneville acknowledges that the addressee is relying on this letter in providing financing to SPP for Phase 2 as described in the Agreement. This letter will remain in effect until payment in full of the Funding Agreement Obligations.

This letter is intended for the addressee reflected on the first page hereof and may not be shared with or relied upon by any other person without the prior written consent of the undersigned.

Kind regards,

Name: _____
Title: _____

United States Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621



In reply refer to: K-7

May 8, 2025

David Stogsdill
Simmons Bank
17901 Chenal Parkway
Little Rock, Arkansas 72223

Re: Markets+ Phase 2 Funding Agreement

Dear Mr. Stogsdill:

This letter is in reference to the Markets+ Phase 2 Funding Agreement (the "Agreement"), dated as of February 13, 2025, entered into among Southwest Power Pool, Inc. ("SPP"), Bonneville Power Administration ("Bonneville"), a federal entity in its capacity as a Fund Participants, and other Funding Participants. Capitalized terms used but not defined in this letter have the meanings ascribed to them in the Agreement.

Pursuant to the terms of the Agreement, Bonneville is responsible for the Phase 2 Obligations attributable to it (the "Funding Agreement Obligations"). Bonneville is not legally permitted to secure its obligations under the Agreement. More specifically, Bonneville is prohibited from posting cash or other collateral (whether directly or through an intermediary) or obtaining letters of credit to secure its contractual obligations or otherwise expend funds in advance of services provided or the receipt of goods; rather, all Bonneville funds must be deposited with the U.S. Treasury. *See* 31 U.S.C. §§ 3301, 3302, 3324.

Bonneville is "self-financed" from its own revenues and does not rely on annual appropriations from the U.S. Congress. In accordance with the Federal Columbia River Transmission System Act of 1974 (Public Law 93-454) (the "Transmission Act"), Bonneville funds the expense portion of its budget and repays the federal investment with revenues from electric power and transmission sales and services, trust funds, proceeds from the sale of bonds by Bonneville to the U.S. Treasury, and any other Bonneville cash receipts. The Bonneville Fund, a self-financed fund established within the U.S. Treasury established by the Transmission Act, is available to Bonneville on a permanent, revolving basis, is not subject to sequestration. *See* 2 U.S.C. § 905(g)(1)(A). Moreover, the Secretary of Energy, acting by and through the Administrator of Bonneville, may enter into contractual obligations requiring cash payments that exceed, at the time the obligation is created, the sum of the amount of cash in the Bonneville Fund and available borrowing authority. *See* 16 U.S.C. § 838i note. Pursuant to the Bonneville Project Act of 1937, Bonneville has broad authority to enter into contracts and make expenditures to accomplish its objectives.

Nevertheless, as a federal entity, pursuant to Section 839e of the Pacific Northwest Electric Power Planning and Conservation Act (Public Law 96-501) and DOE Order RA 6120.2, Bonneville is required to set its rates at an amount sufficient to allow it to meet its financial obligations to all other parties before making repayment of the federal investment in the Federal Columbia River Power System. In other words, Bonneville is required to pay all non-federal financial obligations before remitting any monies to the U.S. Treasury each year; notably, Bonneville has made its scheduled payments (up to \$1 billion annually) to the U.S. Treasury on time and in full for the past 41 years. Bonneville is authorized to make expenditures from the Bonneville Fund without further appropriation and without fiscal year limitation if such expenditures have been included in Bonneville's annual budget to Congress.

In addition, pursuant to the Prompt Payment Act, 5 C.F.R. § 1315, federal agencies such as Bonneville are required to pay commercial obligations within certain time periods and to pay interest penalties when payments are late. The Prompt Payment Act applies to all contracts of Bonneville except those contracts with other federal entities and those contracts for utilities where state, local or foreign authorities impose generally applicable late payment penalties for late utility payments.

Based on Bonneville's strong historical performance and other factors, Bonneville currently maintains strong credit ratings from the major rating agencies. In May 2024, debt instruments issued by non-federal entities but secured by payment and other financial commitments provided by Bonneville received the following credit ratings: Standard & Poor's at "AA-" with a stable outlook, Fitch at "AA" with a stable outlook, and Moody's at "Aa1" with a negative outlook.

Bonneville recognizes the Funding Agreement Obligations established under the Agreement and acknowledges that Bonneville may owe such obligations in accordance with the contractual terms of the Agreement. Bonneville further acknowledges that the Funding Agreement Obligations payable by Bonneville under the Agreement and other operating and maintenance expenses have priority over payments by Bonneville to the U.S. Treasury.

This letter is intended for the addressee reflected on the first page hereof and may not be shared with or relied upon by any other person without the prior written consent of the undersigned.

Sincerely,

Suzanne Cooper
Chief Operating Officer (acting)

[Bracewell Comments 3/17/25]

[Bonneville Power Administration Letterhead]

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Simmons Bank

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Attention: []

Re: Markets+ Phase 2 Funding Agreement and Phase 2 Financing

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Bonneville is not legally permitted to secure its obligations under the Agreement. More specifically, Bonneville is prohibited from posting cash or other collateral (whether directly or through an intermediary) or obtaining letters of credit to secure its contractual obligations or otherwise expend funds in advance of services provided or the receipt of goods; rather, all Bonneville funds must be deposited with the U.S. Treasury. See 31 U.S.C. §§ 3301, 3302, 3324.

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Bonneville acknowledges that the addressee is relying on this letter in providing financing to SPP for Phase 2 as described in the Agreement. This letter will remain in effect until payment in full of the Funding Agreement Obligations.

This letter is intended for the addressee reflected on the first page hereof and may not be shared with or relied upon by any other person without the prior written consent of the undersigned.

Kind regards,

Name: _____
Title: _____

SPP MARKETS+

PHASE 2 FUNDING AGREEMENT

This Phase 2 Funding Agreement (“**Agreement**”) is entered into as of _____ (the “**Effective Date**”) by and between Southwest Power Pool, Inc., an Arkansas nonprofit corporation (“**SPP**”), and the entities identified on the signature page hereto (each, a “**Funding Participant**”) as of the date hereof or by subsequent joinder from time to time. SPP and the Funding Participants are referred to in the Agreement individually as a “**Party**” and, collectively, as “**Parties**.”

RECITALS

- A. SPP, with funding provided by interested parties, is nearing completion of the preliminary phase (“**Phase 1**”) of creating day-ahead and real-time markets in the U.S. portion of the Western Interconnection (“**Markets+**”);
- B. On March 29, 2024, SPP filed with the Federal Energy Regulatory Commission (“**FERC**”) a tariff to establish Markets+ (“**Markets+ Tariff**”);
- C. “**Phase 2**” is the period following FERC’s approval of the Markets+ Tariff and satisfaction of Financing Conditions, as defined below, during which SPP will acquire, create, and/or modify the systems and processes required to implement Markets+;
- D. Each Funding Participant is willing to commit funding support for Phase 2 pursuant to the terms of this Agreement;
- E. Using each Funding Participant’s commitment under this Agreement, SPP intends to obtain third-party financing for Phase 2; and
- F. The Parties are entering into this Agreement to set forth the terms upon which SPP will complete Phase 2 and upon which each Funding Participant will provide commitments to secure the funding for Phase 2.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Exhibit 1, Term, and Milestones.

(a) This Agreement incorporates by reference, as if set forth word for word herein, Exhibit 1, as may be revised by SPP from time to time in accordance with, and subject to the terms of, this Agreement. Exhibit 1 identifies and defines the Phase 2 Pro Rata Share, Stage 1 Phase 2 Obligation, and the Phase 2 Obligation of each Funding Participant. As used herein, the term “**Remaining Funding Participants**” at any time means all Funding Participants excluding any

Funding Participant that has terminated this Agreement, submitted a Withdrawal Notice, or for which an Event of Default has occurred and is continuing.

(b) The term of the Agreement (“**Term**”) will commence on the Effective Date and will terminate upon the date SPP provides notification to the Funding Participants that the Financing, defined below, has been paid in full (including without limitation all principal, interest and fees owed thereunder), subject, however, to earlier termination pursuant to Section 7 of this Agreement. Notwithstanding anything to the contrary contained herein, if this Agreement is terminated by mutual agreement of the Parties or by SPP pursuant to Section 7, prior to the Financing being paid in full, all payment obligations owed hereunder shall survive termination until paid in full.

(c) Phase 2 (and funding Phase 2) will consist of a number of stages or milestones, each of which, and the implications for Funding Participants, is further described herein. The primary milestones are as follows:

Satisfaction of Funding Threshold. As described below, this requires Funding Participants representing a minimum specified amount of 2023 NEL (Net Energy for Load) to execute this Agreement (see in particular Section 3).

Satisfaction of Financing Conditions. Following certification of the Funding Threshold, SPP will seek borrowing approval from FERC and enter into the Loan Agreement with the Lender for the Financing (see in particular Sections 4 and 5). SPP will draw on the Financing to pay for Phase 2 (see in particular Section 5). Funding Participants must post Collateral in accordance with this Agreement covering a portion of their Phase 2 Obligation (see in particular Section 6).

Completion of Stage 1. “**Stage 1**” begins on the date that Funding Threshold is achieved and continues for 180 days thereafter. The start and end dates of Stage 1 will be provided in Exhibit 1. Stage 1 is an initial period prior to Funding Participants committing to Financing for the full Phase 2 Implementation Cost, designed to phase in Funding Participants that may need additional time for approval to execute this Agreement. Funding Participants will be required to post additional Collateral covering their full Phase 2 Obligation following completion of Stage 1 (see in particular Section 6).

Phase 2. During Phase 2, SPP will acquire, create, and/or modify the systems and processes required to implement Markets+. SPP will set up the hardware, software, and systems to implement Markets+; hire and train the staff that will operate Markets+; and lead negotiations for any necessary seams agreements with neighboring Balancing Authorities or markets. SPP will provide expected timelines and a work plan with milestones to Funding Participants by April 1, 2025.

Go-Live. Implementation of Markets+ with the initial market participants. The “**Go-Live Date**” is the date on which Markets+ is implemented.

Post-Go-Live. Following the Go-Live Date, the Financing will be paid down through amounts billed and collected from all Markets+ market participants at the applicable rate pursuant to the Markets+ Tariff Schedule 1-B (see in particular Section 5).

Expiration of this Agreement. Upon full repayment of the Financing, this Agreement will expire, and Collateral will be released back to the Funding Participants (see in particular Sections 5, 6, and 7).

(d) By executing this Agreement (or a joinder to this Agreement), each Funding Participant is committing, among other things specified herein, to post Collateral in the amount of its Stage 1 Phase 2 Obligation, as and if applicable, and its Phase 2 Obligation, if the Funding Participant is a Remaining Funding Participant at the expiration of Stage 1 or executes a joinder to this Agreement after the expiration of Stage 1, which will be pledged to the Lender to support the Financing and the Funding Participant's obligations hereunder (see in particular Sections 6 and 7) all in accordance with and subject to the limitations set forth in this Agreement.

2. Phase 2 Implementation Costs.

(a) The “**Phase 2 Implementation Cost**” is provided in Exhibit 1 and includes an estimate of the following costs that may be incurred during implementation of Markets+.

- (i) Labor;
- (ii) Vendor and professional services;
- (iii) Administrative (including travel, meetings, recruiting);
- (iv) Software and hardware (including maintenance);
- (v) Shared overhead; and
- (vi) Financing charges (including interest).

Shared overhead will be determined by SPP in a commercially reasonable manner reflecting that portion of the total costs of SPP shared resources (e.g., facilities and office expenses, and administrative, human resources, information technology, legal, accounting, and insurance costs) allocated to Markets+ based on a reasonable estimate of usage of such resources for Phase 2. The Funding Participants acknowledge that SPP has determined shared overhead in the first year is \$10,000,000, and such amount will be considered an actual cost of SPP that is fully realized upon the initial draw request under the Financing, and which is funded, and recoverable, in accordance with this Agreement.

SPP will provide prompt written notice to each Funding Participant if SPP determines that the Phase 2 Implementation Cost was underestimated and may be insufficient to complete Phase 2 and that SPP is requesting an amendment to increase the Phase 2 Implementation Cost in Exhibit 1 (a “**Change Notice**”). Any Change Notice(s) will identify the new amount of the Phase 2 Implementation Cost(s), Phase 2 Obligation, and Stage 1 Phase 2 Obligation, if effective at the time of the Change Notice, of each Remaining Funding Participant based on current Phase 2 Pro Rata Share, and a budget for the increase in Phase 2 Implementation Cost. A Change Notice may not be issued as a result of an Event of Default by a Funding Participant.

SPP will facilitate scheduling a call among Remaining Funding Participants within ten (10) Business Days of issuance of a Change Notice. SPP and Remaining Funding Participants will meet

and confer in good faith as needed to determine if the projected increased costs are appropriately identified and calculated, and consider measures to reduce the increased costs if necessary:

Following the meeting(s) of the Remaining Funding Participants, the Remaining Funding Participants and SPP *may* execute an amendment to this Agreement to modify the Phase 2 Implementation Costs. If SPP and the Remaining Funding Participants execute an amendment to this Agreement to modify the Phase 2 Implementation Costs, SPP will, within ten (10) Business Days after full execution of the amendment to this Agreement automatically adjust each Remaining Funding Participant's Phase 2 Obligation, and Stage 1 Phase 2 Obligation, if effective at the time of the Change Notice, to account for the increased Phase 2 Implementation Costs. If SPP and the Remaining Funding Participants do not execute an amendment to this Agreement to modify the Phase 2 Implementation Costs, this Agreement will continue unamended.

(b) The “**Phase 2 Implementation Cost Remaining**” is the balance owed under the Financing (as defined below, including principal, interest, and fees) after the Go Live Date.

3. Satisfaction of Funding Threshold.

The “**Funding Threshold**” occurs when entities that are or represent at least two contiguous Balancing Authorities and not less than 200,000 GWh of 2023 NEL have executed this Agreement with SPP. Following the date that Funding Threshold is achieved, SPP will promptly give written notice to the Funding Participants certifying that Funding Threshold has occurred. In the event that withdrawals from this Agreement result in less than 175,000 GWh of 2023 NEL remaining subject to this Agreement, SPP will promptly notify the Remaining Funding Participants. As promptly as is reasonably practicable following certification of Funding Threshold, SPP will file the necessary request with FERC to obtain approval for the Financing.

Within two (2) Business Days following certification of the Funding Threshold, SPP will provide Funding Participants with Exhibit 1. Exhibit 1 will also be posted on the internet website of SPP and, absent manifest error, will be binding upon the Parties effective as of the date that the Exhibit 1 is provided to Funding Participants. In the event that SPP becomes aware of a manifest error in Exhibit 1, SPP will notify the Funding Participants of the error. SPP will then correct and re-post Exhibit 1, and the corrected Exhibit 1 will be binding upon the Parties effective as of the date that it is provided to Funding Participants, which will not be considered to be a recalculation pursuant to Section 5(c).

Within two (2) Business Days prior to the expiration of Stage 1, SPP will provide Funding Participants with an updated Exhibit 1. Exhibit 1 will also be posted on the internet website of SPP and, absent manifest error, will be binding upon the Parties effective as of the first date following the expiration of Stage 1. In the event that SPP becomes aware of a manifest error in Exhibit 1, SPP will notify the Funding Participants of the error. SPP will then correct and re-post Exhibit 1, and the corrected Exhibit 1 will be binding upon the Parties effective as of the first date following the expiration of Stage 1, which will not be considered to be a recalculation pursuant to Section 5(c).

4. Satisfaction of Financing Conditions.

The “**Financing Conditions**” have been satisfied when SPP has secured the requisite regulatory approval for the Financing and SPP has entered into a loan agreement for Financing for

the Phase 2 Implementation Cost, such loan agreement (including advances thereunder) being satisfactory to SPP, consistent with this Agreement, and otherwise subject only to customary lending conditions (“**Loan Agreement**”). SPP will promptly notify the Funding Participants upon the Financing Conditions being satisfied and provide a copy of the executed Loan Agreement to the Funding Participants.

Following satisfaction of the Financing Conditions, SPP will provide quarterly updates to the Funding Participants setting out, among other relevant information, (i) total amounts drawn down under the Financing, (ii) total Collateral committed by the Funding Participants, (iii) any material changes to SPP’s estimate of the Phase 2 Implementation Cost and changes to Phase 2 Implementation Cost Remaining, and (iv) project expenses through the end of the previous quarter separated into cost categories and amounts drawn under the Financing. SPP shall maintain complete and accurate records of, and supporting, this reporting for at least a period of two (2) years from the termination date of this Agreement. Upon reasonable request, a Funding Participant may review such maintained records to confirm that SPP is acting in accordance with this Agreement.

5. Phase 2 Financing and Repayment.

(a) The Phase 2 Implementation Cost will be financed by SPP with third-party financing with a Qualified Institution (as defined herein) lender that is acceptable to SPP (the “**Financing**”), and principal and interest payments will be made by SPP. SPP will use the following sources, as available, to repay the Financing: (i) the rate recovered under Markets+ Tariff Schedule 1-B, (ii) amounts received under any other Markets+ Tariff provisions effectuated to recover the Phase 2 Implementation Cost, and (iii) amounts received in accordance with this Agreement. Notwithstanding anything in this Agreement to the contrary, any amounts paid by a Funding Participant to SPP under this Agreement shall only be applied to develop and implement Markets+ including, as applicable, repayment of the Financing and SPP’s direct payment of Phase 2 Implementation Costs. Further, SPP may only apply funds drawn under the Financing to develop and implement Markets+.

(b) After the Go-Live Date, SPP will, pursuant to the Markets+ Tariff and not as part of any obligation under this Agreement, bill and collect from all Markets+ market participants the applicable rate pursuant to the Markets+ Tariff Schedule 1-B or other Markets+ Tariff provision(s) effectuated to recover the Phase 2 Implementation Cost Remaining. Pursuant to this Agreement, Remaining Funding Participants who are not participating in Markets+ as of the Go-Live Date must pay an amount equal to their Phase 2 Pro Rata Share multiplied by the annual amount to be repaid under the Financing (as defined below), which will be credited towards Phase 2 Implementation Cost Remaining. This annual amount may be prorated based on such Funding Participants’ planned date of participation in Markets+. SPP will invoice such Funding Participants for these amounts quarterly, with the initial invoice issued by the Go-Live Date, payment for which is due within twenty (20) Business Days of receipt.

(c) The Phase 2 Implementation Cost, Markets+ Total Cost, Post-Phase 1 Payments, and each Funding Participant’s Stage 1 Phase 2 Obligation (if applicable), Phase 2 Obligation and Phase 2 Pro Rata Share will only be recalculated by SPP as follows:

(i) A reduction in a Funding Participant’s Phase 2 Obligation and Phase 2 Pro Rata Share, and an increase in Markets+ Total Cost, if applicable, if an additional Funding

Participant executes a joinder to this Agreement, resulting in an increase to the total 2023 Net Energy for Load (“NEL”),

(ii) An increase in the Phase 2 Implementation Cost and in each Remaining Funding Participant’s Phase 2 Obligation pursuant to a written amendment signed by the Remaining Funding Participants as provided in Section 2,

(iii) A reduction in Phase 2 Implementation Cost Remaining as provided herein, or

(iv) An increase in Post-Phase 1 Payments and Markets+ Total Cost resulting from SPP’s receipt of additional Post-Phase 1 Payments. SPP will, as necessary to account for the additional Post-Phase 1 Payments received, also recalculate the Phase 2 Obligation of Funding Participants who did not make the additional Post-Phase 1 Payments.

(d) Following the Go-Live Date, SPP will calculate the Phase 2 Implementation Cost Remaining. As the Financing is repaid, SPP will re-calculate the Phase 2 Implementation Cost Remaining and each Funding Participant’s then current Phase 2 Obligation on a quarterly basis.

(e) Any change to the Phase 2 Implementation Cost, Phase 2 Implementation Cost Remaining, Post-Phase 1 Payments, Markets+ Total Cost, and each Funding Participant’s Phase 2 Obligation and Phase 2 Pro Rata Share will be memorialized in a revision to Exhibit 1, which will be posted on the internet website of SPP (and notice thereof provided to the Remaining Funding Participants) and, absent manifest error, will be binding upon the Parties without the need for execution of an amendment to this Agreement, effective as of the date that the updated Exhibit 1 is posted to SPP’s website. In the event that SPP becomes aware of a manifest error in Exhibit 1, SPP will notify the Funding Participants of the error. SPP will then correct and re-post Exhibit 1, which will be binding upon the Parties effective as of the date that corrected Exhibit 1 is provided to Funding Participants. Likewise, SPP may update Exhibit 1 with additional values as necessary if an additional Funding Participant executes a joinder to this Agreement without the need for execution of an amendment to this Agreement. The foregoing does not apply to any changes to the defined terms in Exhibit 1, which may be revised only in an executed amendment to this Agreement. Any increase to the Phase 2 Implementation Cost and each Funding Participant’s Phase 2 Obligation made pursuant to a Change Notice must be made in accordance with Section 2.

6. Collateral.

(a) “**Collateral**” is defined as:

(i) Cash deposited into an account with Lender in the name of SPP and subject to the control of and restrictions imposed by Lender; or

(ii) An irrevocable standby letter of credit with Lender as the sole beneficiary, which is at all times in a form and drawn upon a Qualified Institution, as defined below, acceptable to SPP and its Lender. The irrevocable letter of credit will contain a provision that, if the applicable Funding Participant withdraws from this Agreement in accordance with its terms but prior to the obligations under the Financing being paid in full, then, within ten (10) Business Days of the following condition being met, Lender will provide authorization in writing to the applicable issuing bank to terminate such letter of credit:

Lender shall have received a repayment of loans (and if there is any excess, a payment of all remaining amounts into the cash collateral account) in an aggregate amount equal to no less than 100% of the applicable Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time of such Funding Participant's withdrawal.

SPP will assist Funding Participants in facilitating the release of its Collateral with Lender when permitted under this Agreement.

To facilitate posting of Collateral by irrevocable letter of credit, SPP will, promptly after the Effective Date, provide the Funding Participants with a form of irrevocable letter of credit in a form acceptable to SPP and the Lender. SPP, in consultation with the Lender, if required, will use reasonable efforts to respond to and finalize any reasonably requested changes to the form irrevocable letter of credit by a Funding Participant.

SPP will provide Funding Participants with valid wire instructions for the Lender to transfer Collateral in the form of cash, together with contact information for an authorized individual at the Lender for verification purposes.

A Funding Participant may provide a combination of forms of Collateral, subject to Section 6(e). Further, SPP will use commercially reasonable efforts to allow a Funding Participant to replace one acceptable form of Collateral with another acceptable form in an equivalent amount.

The term “**Qualified Institution**” means a financial institution organized under the laws of the United States or any state of the United States or the District of Columbia or a branch or agency of a foreign commercial bank located in the United States, with a minimum corporate debt rating of an “A-” by S&P, “A3” by Moody’s, “A-” by Fitch, or an equivalent short-term debt rating by any of these agencies.

(b) *Timing.* After SPP notifies the Funding Participants that SPP has secured the requisite regulatory approval for the Financing (“**Initial Collateral Deadline**”), each Funding Participant shall provide Collateral to the lender providing the Financing (the “**Lender**”) in an amount determined in paragraph (c) below within twenty (20) Business Days of such notice (“**Initial Collateral Deadline**”). A Funding Participant that executes this Agreement or a joinder hereto after the Initial Collateral Deadline must provide the Lender with Collateral in an amount determined in paragraph (c) below concurrently with execution of this Agreement. Each Funding Participant must continuously maintain the required Collateral throughout the Term to secure its obligations under this Agreement and SPP’s payment obligations under the Loan Agreement, and this Agreement may be further assigned to Lender as provided in Section 12(e). Each Funding Participant shall promptly provide notice to SPP that the Collateral has been provided to the Lender as required herein. All such Collateral will be effective as of the effective date of the Loan Agreement.

(c) *Amount.* If a Funding Participant executes this Agreement prior to expiration of Stage 1, each such Funding Participant will provide Collateral in an amount equal to not less than 100% of the Funding Participant’s Stage 1 Phase 2 Obligation and, within twenty (20) Business Days after the end of Stage 1, each Funding Participant shall provide additional Collateral to the Lender such that the total amount of Collateral is not less than 100% of the Funding Participant’s Phase 2 Obligation. If a Funding Participant executes this Agreement after expiration of Stage 1,

each such Funding Participant will provide Collateral in an amount equal to not less than 100% of the Funding Participant's Phase 2 Obligation.

(d) A Funding Participant that executes this Agreement with SPP ten (10) Business Days or less after certification by SPP of Funding Threshold may provide the required Collateral in any of the acceptable forms described in Section 6(a).

(e) A Funding Participant that executes this Agreement with SPP more than ten (10) Business Days after certification by SPP of Funding Threshold shall provide Collateral in the form of cash in an amount not less than 10% of the Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time of the Funding Participant's execution of this Agreement, with the remaining Collateral being provided in any form provided in Section 6(a).

(f) Lender (at the direction of SPP or under the Loan Agreement) may draw upon or otherwise exercise its rights to the Collateral posted by a Funding Participant in the following circumstances.

(i) An Event of Default has occurred and is continuing with respect to the Funding Participant; or

(ii) An event of default by SPP under the Loan Agreement has occurred and is continuing. SPP will immediately notify the Remaining Funding Participants if SPP becomes aware that an event of default has occurred and is continuing under the Loan Agreement.

If Lender draws on Collateral as provided in Section 6(f)(i), Lender (at the direction of SPP or under the Loan Agreement) will only draw on Collateral provided by the applicable defaulting Funding Participant. If Lender draws on Collateral as provided in Section 6(f)(ii) above, and Lender draws on Collateral in a manner that is not proportionate to each Remaining Funding Participant's respective Phase 2 Pro Rata Share, then the Remaining Funding Participants will work together in good faith to agree to a financial true-up between them such that the financial responsibility among them is proportionate to their respective Phase 2 Pro Rata Share.

Proceeds from the Collateral will be used to make a payment on the Financing pursuant to the Loan Agreement. SPP will credit any such proceeds towards such Funding Participant's Phase 2 Obligation.

(g) In the event of a recalculation of a Funding Participant's Phase 2 Obligation hereunder:

(i) The amount of Collateral shall not automatically be reduced; provided, however, that: on or before the first anniversary of the Go-Live Date, and annually thereafter, SPP will notify each Funding Participant of the portion of the Collateral that exceeds 100% of each Funding Participant's Phase 2 Obligation. SPP will direct Lender to authorize the release of such excess Collateral to Funding Participants, including countersigning amendments to letters of credit to reduce the available amount thereunder. SPP shall assist Funding Participant in facilitating the release of Collateral consistent with this subsection.

(ii) If at any point the total Collateral provided by a Funding Participant does not equal 100% of the Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, additional Collateral will be required of that Funding Participant to satisfy the 100% requirement.

(h) Any interest earned on cash Collateral provided by a Funding Participant will accrue solely to the benefit of the Funding Participant providing that cash, and SPP will cause that interest to be paid over to the Funding Participant quarterly (or such other interval as the Funding Participant and SPP may agree).

(i) All obligations in this Agreement for SPP to release (or cause Lender to release) the undrawn portion of any Collateral back to the Funding Participant following satisfaction of the Funding Participant's obligations will survive any termination or expiration of this Agreement until released.

7. Termination, Withdrawal, and Effect of Termination/Withdrawal.

(a) The Parties may mutually agree to terminate this Agreement in writing at any time.

(b) Automatic Termination. This Agreement automatically terminates when the Financing has been repaid in full. SPP will, or will cause the Lender to, release all remaining, undrawn Collateral back to the applicable Funding Participants following payment in full.

(c) Termination After Funding Threshold and Prior to Satisfaction of Financing Conditions: If Financing Conditions have not been achieved by the expiration of Stage 1, this Agreement shall automatically terminate.

(d) Termination After Funding Threshold is Satisfied and Before the Go-Live Date:

(i) Termination by SPP after Funding Threshold is satisfied but prior to the Go-Live Date:

If the withdrawals of Funding Participants from this Agreement result in less than 175,000 GWh of 2023 NEL remaining subject to this Agreement (or such lower number as may be reflected in a Notice of Re-Commitment) or if there is a significant problem with the market structure that cannot be resolved, SPP may, with approval of the SPP Board of Directors, provide the Funding Participants notice in writing of its intent to terminate this Agreement ("**Notice of Intent to Terminate**"). Such significant unresolvable problems include, but are not limited to, an inability of SPP to recover all of its costs associated with Markets+. At any regularly scheduled meeting of the SPP Board of Directors, SPP may request authority to issue a Notice of Intent to Terminate from the SPP Board of Directors, or the SPP Board of Directors may act on its own authority to issue a Notice of Intent to Terminate, under the terms of this Section 7(d)(i). Following issuance of a Notice of Intent to Terminate, the Parties will engage in twenty (20) Business Days of good faith negotiations to determine if concerns leading to the issuance of the Notice of Intent to Terminate are capable of resolution and, if so, to resolve such concerns. At a regularly scheduled meeting of the SPP Board of Directors, SPP will report the results of the negotiations to the SPP Board of Directors and request authority from the SPP Board of Directors to either: (1) provide written notice to all Funding Participants that the Notice of Intent to Terminate is rescinded ("**SPP Notice of Resolution**") or (2) provide written notice

to all Funding Participants that SPP is terminating immediately its obligations under this Agreement (“**Phase 2 Funding Agreement Termination Notice**”). SPP will act in accordance with the SPP Board of Directors’ direction. If SPP issues a Phase 2 Funding Agreement Termination Notice, complete termination of this Agreement will be effective immediately upon each Funding Participant’s payment of its Stage 1 Phase 2 Obligation or Phase 2 Obligation in full, whichever is effective at the time, which may be reduced as further described in this Section 7(d)(i).

Following a Phase 2 Funding Agreement Termination Notice, SPP will make commercially reasonable efforts to: (1) facilitate discussions among the Remaining Funding Participants to determine interest in moving forward with Markets+ with a new market operator; (2) facilitate communications between Remaining Funding Participants and parties providing services during implementation of Markets+ in order to explore the transfer of services to a new market operator, if selected; and (3) make filings with FERC as necessary to withdraw as market operator of Markets+.

If SPP terminates this Agreement pursuant to this Section 7(d)(i), SPP will make a good faith effort to avoid any further costs and obligations related to Phase 2, but that shall not relieve each Funding Participant of its obligation to pay its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, which may be reduced as provided in this Section 7(d)(i). Each Remaining Funding Participant will be invoiced within twenty (20) Business Days of the Phase 2 Funding Agreement Termination Notice for the portion of the Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2 Obligation consisting of the Funding Participant’s Phase 2 Pro Rata Share of actual expenses incurred to date and known expected additional expenses, which amount will not exceed the Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time (“**Initial Wind Up Invoice**”), and each Funding Participant shall pay this invoice within twenty (20) Business Days of receipt.

SPP will provide a final accounting within 18 months to each Funding Participant, current and prior, of the actual expenses incurred, including wind-down costs, which may include commercially reasonable severance payments. If the final accounting results in actual costs that differ from the costs used to calculate the Initial Wind Up Invoice, then (i) if the costs are greater, each Remaining Funding Participant will be invoiced for its Phase 2 Pro Rata Share of the difference in costs (“**Final Wind Up Invoice**”), provided that the Initial Wind Up Invoice and Final Wind Up Invoice, in aggregate, will not exceed the Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, and each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days of receipt; or (ii) if costs are less, SPP will, within forty (40) Business Days of the final accounting results, issue a refund to all current and prior Funding Participants pro rata based on amounts paid (directly or through a draw on Collateral) by each Funding Participant pursuant to this Agreement.

(ii) Termination by a Funding Participant after Funding Threshold is satisfied but prior to the Go-Live Date:

A Funding Participant may deliver to SPP a written notice of withdrawal (“**Withdrawal Notice**”), subject to the provisions of this Agreement, including without limitation payment of the Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2

Obligation, whichever is effective at the time, as provided below. SPP will promptly notify the other Funding Participants if it receives a Withdrawal Notice. Upon receipt of a Withdrawal Notice, SPP will issue to Funding Participant an invoice for the amount of the Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, which must be paid within twenty (20) Business Days of receipt. Upon payment in full to SPP of its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, this Agreement will terminate as to the withdrawing Funding Participant and such withdrawing Funding Participant will have no further liability under this Agreement.

SPP and the Funding Participant that issued the Withdrawal Notice will engage in twenty (20) Business Days of good faith negotiations to determine if concerns leading to the issuance of the Withdrawal Notice are capable of resolution and, if so, to resolve such concerns. If the Parties successfully resolve the concerns of the Party issuing the Withdrawal Notice, the Party that issued such notice shall notify SPP in writing that the Withdrawal Notice is rescinded ("**Funding Participant's Notice of Resolution**"). If the Funding Participant provides a Funding Participant's Notice of Resolution to SPP prior to the end of the twenty (20) Business Day period above, the Funding Participant will not be obligated to pay the invoice associated with the Withdrawal Notice and this Agreement will continue in full force and effect as to the Funding Participant.

In the event that all Funding Participants have issued Withdrawal Notices and paid their full Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, (directly or through draw on Collateral), to the extent SPP has collected a greater sum of money than is required to repay the Financing and pay all actual expenses incurred, including wind-down costs, each Funding Participant, current and prior, will receive a distribution of that Funding Participant's overpayment based on amounts paid (directly or through draw on Collateral). SPP will provide such funds to such Funding Participants as soon as practicable, but not more than eighteen (18) months following the latest issuance of a Withdrawal Notice.

(e) Termination After Go-Live Date:

(i) Termination by SPP After Go-Live Date:

If the withdrawals of Funding Participants from this Agreement result in less than 175,000 GWh of 2023 NEL remaining subject to this Agreement or if there is a significant problem with the market structure that renders the market inoperable or results in an inability for SPP to recover the Phase 2 Implementation Cost Remaining, SPP may, with approval of the SPP Board of Directors, provide the Funding Participants with a Notice of Intent to Terminate. Such significant unresolvable problems include, but are not limited to, an inability of SPP to recover all of its costs associated with Markets+. At any regularly scheduled meeting of the SPP Board of Directors, SPP may request authority to issue a Notice of Intent to Terminate from the SPP Board of Directors, or the SPP Board of Directors may act on its own authority to issue a Notice of Intent to Terminate, under the terms of this Section 7(e)(i). Following issuance of a Notice of Intent to Terminate, the Parties will engage in twenty (20) Business Days of good faith negotiations to determine if concerns leading to the issuance of the Notice of Intent to Terminate are capable of resolution and, if so, to resolve such concerns. At a regularly scheduled meeting of the SPP

Board of Directors, SPP will report the results of the negotiations to the SPP Board of Directors and request authority from the SPP Board of Directors to either: (1) provide all Funding Participants with an SPP Notice of Resolution or (2) provide all Funding Participants with a Phase 2 Funding Agreement Termination Notice. SPP will act in accordance with the SPP Board of Directors' direction. If SPP issues a Phase 2 Funding Agreement Termination Notice, complete termination of this Agreement will be effective immediately upon each Funding Participant's payment of its Phase 2 Obligation in full as described in this Section 7(e)(i).

Following a Phase 2 Funding Agreement Termination Notice, if SPP seeks approval from FERC to withdraw as market operator for Markets+, SPP will make commercially reasonable efforts to: (1) facilitate discussions among the Remaining Funding Participants to determine interest in moving forward with Markets+ with a new market operator; (2) facilitate communications between Remaining Funding Participants and the parties that provided services during implementation of Markets+ in order to explore the transfer of services to a new market operator, if selected; and (3) make any additional filings with FERC as necessary to withdraw as market operator of Markets+.

If SPP terminates this Agreement pursuant to this Section 7(e)(i), SPP will invoice each Remaining Funding Participant within twenty (20) Business Days of the effective date of the Phase 2 Funding Agreement Termination Notice for the portion of the Remaining Funding Participant's Phase 2 Obligation consisting of the Remaining Funding Participant's Phase 2 Pro Rata Share of Phase 2 Implementation Cost Remaining, and known expected additional expenses (such sum not to exceed the Funding Participant's Phase 2 Obligation), and each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days.

SPP will provide a final accounting within 18 months to each Remaining Funding Participant of the actual expenses incurred, including wind-down costs, which may include commercially reasonable severance payments. Each Remaining Funding Participant will be invoiced for that portion of the Remaining Funding Participant's Phase 2 Obligation consisting of the Remaining Funding Participant's Phase 2 Pro Rata Share of remaining actual expenses incurred and wind-down costs (such sum, aggregated with the initial invoice, not to exceed the Funding Participant's Phase 2 Obligation) within twenty (20) Business Days of the date of final accounting. Each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days of receipt. In the event of a credit to a Remaining Funding Participant, SPP will issue a refund to such Remaining Funding Participant within forty (40) Business Days of issuance of the invoice.

(ii) Termination by a Funding Participant After Go-Live Date:

A Funding Participant may deliver a Withdrawal Notice to SPP, subject to the provisions of this Agreement, including without limitation payment of the Funding Participant's Phase 2 Obligation as provided below. A Funding Participant that terminates its Markets+ Market Participant Agreement must concurrently provide a Withdrawal Notice. SPP will notify the other Funding Participants if it receives a Withdrawal Notice. Upon receipt of a Withdrawal Notice, SPP will issue to Funding Participant an invoice for the amount of the Funding Participant's Phase 2 Obligation, which must be paid within twenty (20) Business Days. Upon payment in full to SPP of its Phase 2 Obligation, this

Agreement will terminate as to the withdrawing Funding Participant and such withdrawing Funding Participant will have no further liability under this Agreement. SPP and the Funding Participant that issued the Withdrawal Notice will engage in twenty (20) Business Days of good faith negotiations to determine if concerns leading to the issuance of the Withdrawal Notice are capable of resolution and, if so, to resolve such concerns. If the Parties successfully resolve the concerns of the Party issuing the Withdrawal Notice, the Party that issued such notice shall issue a Funding Participant's Notice of Resolution. If the Funding Participant provides a Funding Participant's Notice of Resolution to SPP prior to the end of the twenty (20) Business Day period above, the Funding Participant will not be obligated to pay the invoice associated with this Withdrawal Notice and this Agreement will continue in full force and effect as to the Funding Participant.

(f) Re-Commitment by Funding Participants

SPP will promptly notify the Remaining Funding Participants if the Remaining Funding Participants represent less than 175,000 GWh of 2023 NEL. If at any time after Funding Threshold has been met and before the Go-Live Date, the withdrawals of Funding Participants from this Agreement result in less than 175,000 GWh of 2023 NEL remaining subject to this Agreement and a Notice of Re-Commitment, as defined below, has not been delivered to SPP with respect thereto, then, on written request from SPP to the Funding Participants or any one Funding Participant to the other Funding Participants and SPP, the Funding Participants will engage in twenty (20) Business Days of good faith discussions to determine if there is sufficient interest among the Remaining Funding Participants to continue with the funding of Phase 2. During the foregoing twenty (20) Business Day period, SPP will, to the extent feasible, pause all draws under the Loan Agreement.

If, prior to the end of such twenty (20) Business Day period, at least two Remaining Funding Participants representing at least 150,000 GWh of 2023 NEL execute and deliver to SPP a notice re-committing to funding Phase 2 ("**Notice of Re-Commitment**"), then this Agreement shall continue in full force and effect.

If a Notice of Re-Commitment is not delivered to SPP prior to the expiration of the twenty (20) Business Day period above, this Agreement will automatically terminate, but that shall not relieve each Funding Participant of its obligation to pay its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, which may be reduced as provided in this Section 7(f). If this Agreement terminates pursuant to this Section 7(f), SPP will make a good faith effort to avoid any further costs and obligations related to Phase 2. SPP will send an Initial Wind Up Invoice to each Remaining Funding Participant and each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days of receipt.

SPP will provide a final accounting within 18 months to each Funding Participant, current and prior, of the actual expenses incurred, including wind-down costs, which may include commercially reasonable severance payments. If the final accounting results in actual costs that differ from the costs used to calculate the Initial Wind Up Invoice, then (i) if the costs are greater, each Remaining Funding Participant will be sent a Final Wind Up Invoice, provided that the Initial Wind Up Invoice and Final Wind Up Invoice, in aggregate, will not exceed the Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, and each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days of receipt; or (ii) if costs are less, SPP will, within forty (40) Business Days of the final accounting

results, issue a refund to all current and prior Funding Participants pro rata based on amounts paid (directly or through a draw on Collateral) by each Funding Participant pursuant to this Agreement.

(g) Notwithstanding anything to the contrary herein, a Withdrawal Notice shall not result in termination of this Agreement with regard to that Funding Participant until payment in full to SPP of its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time of termination.

8. Default by a Funding Participant.

(a) The following constitutes an “**Event of Default**” by a Funding Participant under this Agreement, if not cured as provided below, if applicable:

(i) Failure by a Funding Participant to pay in full its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, when due and owing under this Agreement;

(ii) Failure by a Funding Participant to provide and maintain Collateral pursuant to this Agreement, including but not limited to the following circumstances: (A) the issuer of the letter of credit fails to be a Qualified Institution, or a Funding Participant receives written notice that the issuer of the letter of credit will fail to be a Qualified Institution, and, in either case, a satisfactory replacement of Collateral is not provided to Lender within ten (10) Business Days, (B) a satisfactory replacement of Collateral was not provided to Lender thirty (30) Business Days prior to the expiration of the letter of credit, (C) the issuer fails to comply with or perform its obligations under such letter of credit, if such failure continues after the lapse of any applicable grace period, (D) the issuer disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such letter of credit, and (E) any event analogous to an event specified in Section 8(a)(iii) of this Agreement occurs with respect to the issuer and a satisfactory replacement of Collateral was not provided to Lender within ten (10) Business Days thereafter;

(iii) A Funding Participant's: (A) commencement of a voluntary case under Title 11 of the United States Code; (B) filing an answer or other pleading admitting or failing to deny the material allegations of a petition filed against it commencing an involuntary case under said Title 11, or seeking, consenting to or acquiescing in the relief therein provided, or by failing to controvert timely the material allegations of any such petition; (C) the entry of an order for relief in any involuntary case commenced under said Title 11; (D) seeking relief as a debtor under any applicable law, other than said Title 11, of any jurisdiction relating to the liquidation or reorganization of debtors or to modification or alteration of the rights of creditors, or by its consenting to or acquiescing in such relief; (E) the entry of an order by a court of competent jurisdiction: (a) finding it to be bankrupt or insolvent, (b) ordering or approving its liquidation, reorganization or any modification or alteration of the rights of its creditors, or (c) assuming custody of, or appointing a receiver or other custodian for all or a substantial part of its property; (F) the filing of a petition under Title 11; or (G) making an assignment for the benefit of, or entering into a composition with, its creditors, or appointing or consenting to the appointment of a receiver or other custodian for all or a substantial part of its property; or

(iv) A Funding Participant terminates its Markets+ Market Participant Agreement and does not concurrently provide a Withdrawal Notice.

(b) If SPP or Lender considers that an Event of Default as set forth in Section 8(a)(i) or 8(a)(ii) has occurred, SPP or Lender will provide written notice to the defaulting Funding Participant. If an Event of Default occurs as set forth in Section 8(a)(i), 8(a)(ii)(A, E), or 8(a)(iv) of this Agreement, such Funding Participant shall be in default and SPP and Lender shall have all rights to collect from Funding Participant its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, and damages resulting from such failure to pay, if applicable. If the defaulting Funding Participant fails to remedy an Event of Default as set forth in Section 8(a)(ii)(B–D) of this Agreement within ten (10) Business Days of the date of SPP’s or Lender’s written notice to such Funding Participant, such Funding Participant shall be in default and SPP and Lender shall have all rights to collect from Funding Participant its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, and damages resulting from such failure to pay. Immediately upon the occurrence of an Event of Default as set forth in Section 8(a)(iii) of this Agreement, such Funding Participant will provide notice to SPP.

9. Rights Related to Stakeholder Process.

Each Funding Participant will have the right to vote in the stakeholder process during Phase 2. A Funding Participant’s right to vote during Phase 2 under this Agreement will be removed if there is an Event of Default by the Funding Participant that is continuing or if the Funding Participant withdraws from this Agreement during Phase 2.

10. Limitation of Liability.

Each Funding Participant’s obligation to post Collateral and, where applicable, pay its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, hereunder is several and not joint and several, and is limited to that Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, as provided in Exhibit 1.

To the extent allowed by law, the Parties acknowledge and agree that no Party shall be liable to any other Party for any special, indirect, exemplary, punitive, incidental or consequential loss or damage (including any loss of revenue, income, profits or investment opportunities or claims of third party customers) for any claim arising under this Agreement; provided, however, that the limitations of liability set forth in this sentence do not apply with respect to a Funding Participant’s gross negligence, fraud, or willful misconduct, or its violation of applicable law.

This Section 10 will survive the expiration or termination of this Agreement.

11. Force Majeure.

If, and to the extent that, a Party’s performance of any of its obligations (other than payment obligations) pursuant to this Agreement is prevented or delayed directly or indirectly by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, pandemics, rebellions, or revolutions (each a “**Force Majeure Event**”), and such non-performance or delay could not have been prevented by reasonable precautions or diligence by the claiming Party, then such Party shall be excused for such non-performance or delay, as applicable, of those obligations affected by the Force Majeure Event solely for as long as the Force Majeure Event continues to prevent or delay performance and the claiming Party continues to use its commercially

reasonable efforts to recommence performance whenever and to whatever extent possible without delay.

12. General Provisions.

(a) This Agreement, including Exhibit 1 to this Agreement, constitutes the entire agreement between the Parties, and supersedes any prior written or oral agreements or understandings between the Parties, relating to the subject matter of this Agreement; provided, that nothing in this Agreement shall limit, or in any manner modify, the existing legal rights, privileges, and duties of each of the Parties as provided by any other agreement between the Parties, or by any statute or any other law or applicable court or regulatory decision by which such Party is bound.

(b) Other than as provided in Section 5(c) of this Agreement with regard to Exhibit 1, this Agreement may not be amended except in writing hereafter signed by SPP and all Remaining Funding Participants at the time.

(c) Any waiver by a Party to this Agreement of any provision or condition of this Agreement must be in writing, signed by the Party to be bound by such waiver, shall be effective only to the extent specifically set forth in such writing and shall not limit or affect any rights with respect to any other or future circumstance.

(d) This Agreement is for the sole and exclusive benefit of the Parties and shall not create a contractual relationship with, or cause of action in favor of, any third party other than the Lender to whom this Agreement is assigned.

(e) No Party shall have the right to voluntarily assign its interest in this Agreement, including its rights, duties, and obligations hereunder, without the prior written consent of the other Parties, which consent may be withheld by the other Parties in its sole and absolute discretion. Notwithstanding the foregoing, (i) SPP may assign this Agreement and any and all rights hereunder to the Lender in connection with the Financing, and (ii) Funding Participant hereby consents to one or more such assignments to any such Lender providing the Financing for Phase 2 and agrees that any such Lender may rely on this consent without the need for a separate consent. If a Lender does so require a separate consent, Funding Participant hereby agrees to execute same in such form as may be reasonably requested by such Lender. Any assignment of this Agreement to Lender shall be solely in connection with the Financing, and such Lender shall have no liability or obligation of any kind whatsoever arising from or in connection with any such assignment except as expressly set forth in such assignment and the Loan Agreement. Any assignment made in violation of the terms of this Section 12(e) shall be null and void and shall have no force and effect.

(f) In the event that any provision of this Agreement is determined to be invalid or unenforceable for any reason, in whole or part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law, provided such remaining provisions retain the essence of the bargain struck by the Parties, and such invalid or unenforceable provision shall be replaced by the Parties with a provision that is valid and enforceable and that comes closest to expressing the Parties' intention with respect to such invalid or unenforceable provision.

(g) Whenever this Agreement requires or provides that (i) a notice be given by a Party to the other Party or (ii) a Party's action requires the approval or consent of the other Party, such notice, consent or approval shall be given in writing and shall be given by personal delivery, by recognized overnight courier service, or by certified mail (return receipt requested), postage prepaid, to the recipient thereof at the address given for such Party as set forth below or on the signature page hereto, or to such other address as may be designated by notice given by any Party to the other Party in accordance with the provisions of this Section 12(g):

If to SPP:

Antoine Lucas
 201 Worthen Drive
 Little Rock, AR 72223-4936
 Email: alucas@spp.org
 With a Copy to: legalnotices@spp.org

If to Funding Participant: To the Party and the address provided on the signature page hereto.

For any notice, consent, or approval given by personal delivery, overnight courier, or certified mail, the delivering Party shall send contemporaneously a copy thereof by email to the receiving Party at the address specified above. Each notice, consent or approval shall be effective (a) if given by personal delivery, on the later of the day (1) of such delivery, or (2) that the email copy of such notice, consent, or approval is delivered to the receiving Party; (b) if given by overnight delivery, on the later of the (1) first Business Day following dispatch, or (2) day that the email copy of such notice, consent, or approval is delivered to the receiving Party; or (c) if given by certified mail (return receipt requested), on the later of the (1) third Business Day following mailing, or (2) day that the email copy of such notice, consent, or approval is delivered to the receiving Party. It is the responsibility of each Party to provide, in accordance with this Section, notice to the other Party of any necessary change in the contact or address information herein.

Notwithstanding the foregoing, SPP's notice certifying that Funding Threshold has been achieved may be provided by email only and a Funding Participant's Withdrawal Notice pursuant to Section 7 of this Agreement must be provided to SPP by e-mail at legalnotices@spp.org and will be deemed effective as of the date and time the e-mail is sent regardless of whether during business hours or on a Business Day.

(h) This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, and all of which shall together constitute one and the same instrument, and the Parties may rely on electronic or scanned signatures as originals. Delivery of an executed signature page of this Agreement by electronic mail transmission (in portable document format (PDF) or other format agreed by the Parties) shall be the same as delivery of a manually executed signature page.

(i) Nothing contained in this Agreement shall be construed as creating a corporation, company, partnership, association, joint venture or other entity with the other Party(ies), nor shall anything contained in this Agreement be construed as creating or requiring any fiduciary

relationship between the Parties. Except as expressly provided herein, no Party shall be responsible hereunder for the acts or omissions of the other Parties.

(j) Nothing in this Agreement shall preclude a Party from exercising any rights or taking any action (or having its affiliates take any action) with respect to any other matter.

(k) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply: (i) the insertion of headings are for convenience of reference only and do not affect, and will not be utilized in construing or interpreting, this Agreement; (ii) all references in this Agreement to any “Section” are to the corresponding Section of this Agreement unless otherwise specified; (iii) words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Agreement (including Exhibit 1 to this Agreement) as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires; (iv) the word “including” or any variation thereof means “including, without limitation” and does not limit any general statement that it follows to the specific or similar items or matters immediately following it; and (v) the Parties have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties, and no presumption or burden of proof favoring or disfavoring any Party will exist or arise by virtue of the authorship of any provision of this Agreement.

(l) A “**Business Day**” is a day on which the Federal Reserve System is open for business.

13. Choice of Law and Venue.

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Arkansas without regard to its principles of conflicts of law; provided, however, that any question concerning a utility’s status as a political subdivision of a state and any rights and obligations related to such status shall be determined in accordance with the laws of that state. Venue for any action hereunder shall be FERC, where subject to its jurisdiction, or otherwise any state or federal court with jurisdiction in Pulaski County, Arkansas.

14. Dispute Resolution.

(a) In the event of any dispute arising under this Agreement that does not involve BPA, the Parties shall, to the extent practicable, first attempt to resolve the matter through direct good faith negotiation between the Parties, including a full opportunity for escalation to executive management within the Parties’ respective organizations. For all other matters, the Parties may pursue action at FERC or in a state or federal court of competent jurisdiction located in Pulaski County, Arkansas. If a Party pursues an action in a state or federal court of competent jurisdiction located in Pulaski County, Arkansas, the following will apply:

(i) To the fullest extent permitted by law, each of the Parties hereto waives any right it may have to a trial by jury in respect of litigation within the federal or state courts specified herein, directly or indirectly arising out of, under or in connection with this Agreement. Each Party further waives any right to consolidate, or to request the

consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

(ii) If a waiver of jury trial is deemed by any court of competent jurisdiction specified herein to not be enforceable for any reason, then to the fullest extent permitted by law, the Parties may agree to attempt in good faith to settle amicably through non-binding arbitration. Notwithstanding the foregoing, either Party may seek provisional legal or equitable remedies if, in such Party's reasonable judgment, such action is necessary to avoid irreparable damage or preserve the status quo.

(b) In the event of any dispute involving BPA arising under this Agreement, the Parties shall, to the extent practicable, first attempt to resolve the matter through direct good faith negotiations between the Parties, including a full opportunity for escalation to executive management within the Parties' respective organizations. For all other matters, the Parties may pursue action at FERC, the U.S. Court of Federal Claims, or another federal court of competent jurisdiction, in which case:

(i) To the fullest extent permitted by law, each of the Parties hereto waives any right it may have to a trial by jury in respect of litigation within the federal courts specified herein, directly or indirectly arising out of, under or in connection with this Agreement. Each Party further waives any right to consolidate, or to request the consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

(ii) If a waiver of jury trial is deemed by any court of competent jurisdiction specified herein to not be enforceable for any reason, then to the fullest extent permitted by law, the Parties may agree to attempt in good faith to settle amicably through non-binding arbitration. Notwithstanding the foregoing, either Party may seek provisional legal or equitable remedies if, in such Party's reasonable judgment, such action is necessary to avoid irreparable damage or preserve the status quo.

15. Third Party Agreements.

The Parties may engage in discussions with third parties, either jointly or unilaterally, to facilitate the development of Markets+. Each Party may adopt or modify tariffs or enter into or modify binding agreements between such Party and third parties to implement the approved terms and conditions of Markets+ as necessary and appropriate.

16. Bonneville Power Administration ("BPA") Special Provisions.

This Section 16 shall apply to BPA only.

(a) Sections 6 and Section 8(a)(ii) and (iii) of the Agreement shall not apply to BPA.

(b) As a federal entity, BPA cannot provide the Collateral described in Section 6. However, for purposes of satisfying collateral requirements of Lender, BPA will provide a letter of assurances from BPA's Chief Operating Officer setting forth BPA's authority to enter into this Agreement and statutory obligation requiring BPA to pay its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, pursuant to this Agreement (the "**Letter**"). BPA

will provide the Letter within ten (10) Business Days of certification by SPP of Funding Threshold. The Letter must be effective prior to the effective date of the Loan Agreement.

(c) Section 13 shall be replaced with the following:

Choice of Law and Venue.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the United States. Venue for any action hereunder shall be FERC, the U.S. Court of Federal Claims, or any other federal court of competent jurisdiction.

17. Non-Jurisdictional Status.

Some Funding Participants are non-jurisdictional utilities described in Section 201(f) of the Federal Power Act, 16 U.S.C. § 24(f). Nothing in this Agreement is intended to create additional FERC jurisdiction for such non-jurisdictional Parties, nor shall it be construed in a manner that creates additional FERC jurisdiction for such Parties.

[Signature page follows]

IN WITNESS WHEREOF, each of the Parties has caused its duly authorized officer to execute this Agreement as of the __ day of _____, 2024.

Funding Participant Name

Name of Authorized Representative

Title of Authorized Representative

Signature of Authorized Representative

Address:

Southwest Power Pool, Inc.

Name of Authorized Representative

Title of Authorized Representative

Signature of Authorized Representative

Exhibit 1 to SPP Markets+ Phase 2 Funding Agreement

This Exhibit 1 may be modified in accordance with the Phase 2 Funding Agreement.

The Phase 2 Implementation Cost is \$150,000,000.00.

The **Markets+ Total Cost** is as follows:

(i) Before and on the Go-Live Date, the Markets+ Total Cost equals the sum of: all Phase 1 Payments and all Post-Phase 1 Payments made by Funding Participants, and the Phase 2 Implementation Cost.

(ii) After the Go-Live Date, Markets+ Total Cost equals the sum of: all Phase 1 Payments and all Post-Phase 1 payments made by Funding Participants, and the Phase 2 Implementation Cost Remaining. In the event of termination of this Agreement pursuant to Section 7(e)(i), the actual expenses incurred by SPP will be considered part of the Markets+ Total Cost, provided the foregoing addition will not cause the Markets+ Total Cost after the Go-Live Date to exceed the Markets+ Total Cost on the Go-Live Date.

The “**Phase 1 Payments**” and “**Post-Phase 1 Payments**” are the payments made to SPP during Phase 1 and Post-Phase 1 by entities that executed the SPP Markets+ Phase 1 Funding Agreement.

The “**Phase 2 Pro Rata Share**” for each Funding Participant is provided below and is calculated by dividing such Funding Participant’s Obligation Share MWh by the sum of all Obligation Share MWh. The Obligation Share MWh is calculated based on the type of participating entity as detailed below:

- For an entity that is a Balancing Authority (“**Participating BA**”), the Obligation Share MWh is equal to the Participating BA’s Net Energy for Load (“**NEL**”) submitted to the Western Electricity Coordinating Council (“**WECC**”) for 2023 less Sub-Entity NEL, if applicable, and less NEL that was removed from the Participating BA prior to January 1, 2024, or that will be removed due to participation by the Sub-Entity in the SPP RTO Expansion estimated to be implemented in April 2026, if applicable. The Obligation Share MWh for Powerex Corp., if a Funding Participant, will be based on BC Hydro’s NEL for 2023.
- For an entity located within a Participating BA with generation and load (“**Sub-Entity**”), the Obligation Share MWh is equal to the Sub-Entity’s NEL submitted to WECC for 2023, revised for any permanent contracted load adjustments that occurred after that 2023 WECC reporting. If an entity qualifies as a Sub-Entity in multiple Participating BAs, the Sub-Entity’s Obligation Share MWh will be the aggregated NEL from each Participating BA.

The “**Phase 2 Obligation**” for a Funding Participant is that Funding Participant’s Phase 2 Pro Rata Share of the Markets+ Total Cost less the Funding Participant’s Phase 1 Payments and Post Phase 1 Payments. An entity that terminated its Phase 1 Funding Agreement before its term expired will not be credited for its Phase 1 Obligation Payments and Post Phase 1 Payments. Each Funding Participant’s Stage 1 Phase 2 Obligation, Phase 2 Obligation, and Phase 2 Pro Rata Share are provided below, as may be adjusted from time to time as provided in the Agreement

The “**Stage 1 Phase 2 Obligation**” is effective during Stage 1 and is two-thirds of the Funding Participant’s Phase 2 Obligation.

[Insert chart]

SPP MARKETS+

PHASE 2 FUNDING AGREEMENT

This Phase 2 Funding Agreement (“**Agreement**”) is entered into as of 02/13/2025 (the “**Effective Date**”) by and between Southwest Power Pool, Inc., an Arkansas nonprofit corporation (“**SPP**”), and the entities identified on the signature page hereto (each, a “**Funding Participant**”) as of the date hereof or by subsequent joinder from time to time. SPP and the Funding Participants are referred to in the Agreement individually as a “**Party**” and, collectively, as “**Parties**.”

RECITALS

- A. SPP, with funding provided by interested parties, is nearing completion of the preliminary phase (“**Phase 1**”) of creating day-ahead and real-time markets in the U.S. portion of the Western Interconnection (“**Markets+**”);
- B. On March 29, 2024, SPP filed with the Federal Energy Regulatory Commission (“**FERC**”) a tariff to establish Markets+ (“**Markets+ Tariff**”);
- C. “**Phase 2**” is the period following FERC’s approval of the Markets+ Tariff and satisfaction of Financing Conditions, as defined below, during which SPP will acquire, create, and/or modify the systems and processes required to implement Markets+;
- D. Each Funding Participant is willing to commit funding support for Phase 2 pursuant to the terms of this Agreement;
- E. Using each Funding Participant’s commitment under this Agreement, SPP intends to obtain third-party financing for Phase 2; and
- F. The Parties are entering into this Agreement to set forth the terms upon which SPP will complete Phase 2 and upon which each Funding Participant will provide commitments to secure the funding for Phase 2.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Exhibit 1, Term, and Milestones.

(a) This Agreement incorporates by reference, as if set forth word for word herein, Exhibit 1, as may be revised by SPP from time to time in accordance with, and subject to the terms of, this Agreement. Exhibit 1 identifies and defines the Phase 2 Pro Rata Share, Stage 1 Phase 2 Obligation, and the Phase 2 Obligation of each Funding Participant. As used herein, the term “**Remaining Funding Participants**” at any time means all Funding Participants excluding any

Funding Participant that has terminated this Agreement, submitted a Withdrawal Notice, or for which an Event of Default has occurred and is continuing.

(b) The term of the Agreement (“**Term**”) will commence on the Effective Date and will terminate upon the date SPP provides notification to the Funding Participants that the Financing, defined below, has been paid in full (including without limitation all principal, interest and fees owed thereunder), subject, however, to earlier termination pursuant to Section 7 of this Agreement. Notwithstanding anything to the contrary contained herein, if this Agreement is terminated by mutual agreement of the Parties or by SPP pursuant to Section 7, prior to the Financing being paid in full, all payment obligations owed hereunder shall survive termination until paid in full.

(c) Phase 2 (and funding Phase 2) will consist of a number of stages or milestones, each of which, and the implications for Funding Participants, is further described herein. The primary milestones are as follows:

Satisfaction of Funding Threshold. As described below, this requires Funding Participants representing a minimum specified amount of 2023 NEL (Net Energy for Load) to execute this Agreement (see in particular Section 3).

Satisfaction of Financing Conditions. Following certification of the Funding Threshold, SPP will seek borrowing approval from FERC and enter into the Loan Agreement with the Lender for the Financing (see in particular Sections 4 and 5). SPP will draw on the Financing to pay for Phase 2 (see in particular Section 5). Funding Participants must post Collateral in accordance with this Agreement covering a portion of their Phase 2 Obligation (see in particular Section 6).

Completion of Stage 1. “**Stage 1**” begins on the date that Funding Threshold is achieved and continues for 180 days thereafter. The start and end dates of Stage 1 will be provided in Exhibit 1. Stage 1 is an initial period prior to Funding Participants committing to Financing for the full Phase 2 Implementation Cost, designed to phase in Funding Participants that may need additional time for approval to execute this Agreement. Funding Participants will be required to post additional Collateral covering their full Phase 2 Obligation following completion of Stage 1 (see in particular Section 6).

Phase 2. During Phase 2, SPP will acquire, create, and/or modify the systems and processes required to implement Markets+. SPP will set up the hardware, software, and systems to implement Markets+; hire and train the staff that will operate Markets+; and lead negotiations for any necessary seams agreements with neighboring Balancing Authorities or markets. SPP will provide expected timelines and a work plan with milestones to Funding Participants by April 1, 2025.

Go-Live. Implementation of Markets+ with the initial market participants. The “**Go-Live Date**” is the date on which Markets+ is implemented.

Post-Go-Live. Following the Go-Live Date, the Financing will be paid down through amounts billed and collected from all Markets+ market participants at the applicable rate pursuant to the Markets+ Tariff Schedule 1-B (see in particular Section 5).

Expiration of this Agreement. Upon full repayment of the Financing, this Agreement will expire, and Collateral will be released back to the Funding Participants (see in particular Sections 5, 6, and 7).

(d) By executing this Agreement (or a joinder to this Agreement), each Funding Participant is committing, among other things specified herein, to post Collateral in the amount of its Stage 1 Phase 2 Obligation, as and if applicable, and its Phase 2 Obligation, if the Funding Participant is a Remaining Funding Participant at the expiration of Stage 1 or executes a joinder to this Agreement after the expiration of Stage 1, which will be pledged to the Lender to support the Financing and the Funding Participant's obligations hereunder (see in particular Sections 6 and 7) all in accordance with and subject to the limitations set forth in this Agreement.

2. Phase 2 Implementation Costs.

(a) The “**Phase 2 Implementation Cost**” is provided in Exhibit 1 and includes an estimate of the following costs that may be incurred during implementation of Markets+.

- (i) Labor;
- (ii) Vendor and professional services;
- (iii) Administrative (including travel, meetings, recruiting);
- (iv) Software and hardware (including maintenance);
- (v) Shared overhead; and
- (vi) Financing charges (including interest).

Shared overhead will be determined by SPP in a commercially reasonable manner reflecting that portion of the total costs of SPP shared resources (e.g., facilities and office expenses, and administrative, human resources, information technology, legal, accounting, and insurance costs) allocated to Markets+ based on a reasonable estimate of usage of such resources for Phase 2. The Funding Participants acknowledge that SPP has determined shared overhead in the first year is \$10,000,000, and such amount will be considered an actual cost of SPP that is fully realized upon the initial draw request under the Financing, and which is funded, and recoverable, in accordance with this Agreement.

SPP will provide prompt written notice to each Funding Participant if SPP determines that the Phase 2 Implementation Cost was underestimated and may be insufficient to complete Phase 2 and that SPP is requesting an amendment to increase the Phase 2 Implementation Cost in Exhibit 1 (a “**Change Notice**”). Any Change Notice(s) will identify the new amount of the Phase 2 Implementation Cost(s), Phase 2 Obligation, and Stage 1 Phase 2 Obligation, if effective at the time of the Change Notice, of each Remaining Funding Participant based on current Phase 2 Pro Rata Share, and a budget for the increase in Phase 2 Implementation Cost. A Change Notice may not be issued as a result of an Event of Default by a Funding Participant.

SPP will facilitate scheduling a call among Remaining Funding Participants within ten (10) Business Days of issuance of a Change Notice. SPP and Remaining Funding Participants will meet

and confer in good faith as needed to determine if the projected increased costs are appropriately identified and calculated, and consider measures to reduce the increased costs if necessary:

Following the meeting(s) of the Remaining Funding Participants, the Remaining Funding Participants and SPP *may* execute an amendment to this Agreement to modify the Phase 2 Implementation Costs. If SPP and the Remaining Funding Participants execute an amendment to this Agreement to modify the Phase 2 Implementation Costs, SPP will, within ten (10) Business Days after full execution of the amendment to this Agreement automatically adjust each Remaining Funding Participant's Phase 2 Obligation, and Stage 1 Phase 2 Obligation, if effective at the time of the Change Notice, to account for the increased Phase 2 Implementation Costs. If SPP and the Remaining Funding Participants do not execute an amendment to this Agreement to modify the Phase 2 Implementation Costs, this Agreement will continue unamended.

(b) The “**Phase 2 Implementation Cost Remaining**” is the balance owed under the Financing (as defined below, including principal, interest, and fees) after the Go Live Date.

3. Satisfaction of Funding Threshold.

The “**Funding Threshold**” occurs when entities that are or represent at least two contiguous Balancing Authorities and not less than 200,000 GWh of 2023 NEL have executed this Agreement with SPP. Following the date that Funding Threshold is achieved, SPP will promptly give written notice to the Funding Participants certifying that Funding Threshold has occurred. In the event that withdrawals from this Agreement result in less than 175,000 GWh of 2023 NEL remaining subject to this Agreement, SPP will promptly notify the Remaining Funding Participants. As promptly as is reasonably practicable following certification of Funding Threshold, SPP will file the necessary request with FERC to obtain approval for the Financing.

Within two (2) Business Days following certification of the Funding Threshold, SPP will provide Funding Participants with Exhibit 1. Exhibit 1 will also be posted on the internet website of SPP and, absent manifest error, will be binding upon the Parties effective as of the date that the Exhibit 1 is provided to Funding Participants. In the event that SPP becomes aware of a manifest error in Exhibit 1, SPP will notify the Funding Participants of the error. SPP will then correct and re-post Exhibit 1, and the corrected Exhibit 1 will be binding upon the Parties effective as of the date that it is provided to Funding Participants, which will not be considered to be a recalculation pursuant to Section 5(c).

Within two (2) Business Days prior to the expiration of Stage 1, SPP will provide Funding Participants with an updated Exhibit 1. Exhibit 1 will also be posted on the internet website of SPP and, absent manifest error, will be binding upon the Parties effective as of the first date following the expiration of Stage 1. In the event that SPP becomes aware of a manifest error in Exhibit 1, SPP will notify the Funding Participants of the error. SPP will then correct and re-post Exhibit 1, and the corrected Exhibit 1 will be binding upon the Parties effective as of the first date following the expiration of Stage 1, which will not be considered to be a recalculation pursuant to Section 5(c).

4. Satisfaction of Financing Conditions.

The “**Financing Conditions**” have been satisfied when SPP has secured the requisite regulatory approval for the Financing and SPP has entered into a loan agreement for Financing for

the Phase 2 Implementation Cost, such loan agreement (including advances thereunder) being satisfactory to SPP, consistent with this Agreement, and otherwise subject only to customary lending conditions (“**Loan Agreement**”). SPP will promptly notify the Funding Participants upon the Financing Conditions being satisfied and provide a copy of the executed Loan Agreement to the Funding Participants.

Following satisfaction of the Financing Conditions, SPP will provide quarterly updates to the Funding Participants setting out, among other relevant information, (i) total amounts drawn down under the Financing, (ii) total Collateral committed by the Funding Participants, (iii) any material changes to SPP’s estimate of the Phase 2 Implementation Cost and changes to Phase 2 Implementation Cost Remaining, and (iv) project expenses through the end of the previous quarter separated into cost categories and amounts drawn under the Financing. SPP shall maintain complete and accurate records of, and supporting, this reporting for at least a period of two (2) years from the termination date of this Agreement. Upon reasonable request, a Funding Participant may review such maintained records to confirm that SPP is acting in accordance with this Agreement.

5. Phase 2 Financing and Repayment.

(a) The Phase 2 Implementation Cost will be financed by SPP with third-party financing with a Qualified Institution (as defined herein) lender that is acceptable to SPP (the “**Financing**”), and principal and interest payments will be made by SPP. SPP will use the following sources, as available, to repay the Financing: (i) the rate recovered under Markets+ Tariff Schedule 1-B, (ii) amounts received under any other Markets+ Tariff provisions effectuated to recover the Phase 2 Implementation Cost, and (iii) amounts received in accordance with this Agreement. Notwithstanding anything in this Agreement to the contrary, any amounts paid by a Funding Participant to SPP under this Agreement shall only be applied to develop and implement Markets+ including, as applicable, repayment of the Financing and SPP’s direct payment of Phase 2 Implementation Costs. Further, SPP may only apply funds drawn under the Financing to develop and implement Markets+.

(b) After the Go-Live Date, SPP will, pursuant to the Markets+ Tariff and not as part of any obligation under this Agreement, bill and collect from all Markets+ market participants the applicable rate pursuant to the Markets+ Tariff Schedule 1-B or other Markets+ Tariff provision(s) effectuated to recover the Phase 2 Implementation Cost Remaining. Pursuant to this Agreement, Remaining Funding Participants who are not participating in Markets+ as of the Go-Live Date must pay an amount equal to their Phase 2 Pro Rata Share multiplied by the annual amount to be repaid under the Financing (as defined below), which will be credited towards Phase 2 Implementation Cost Remaining. This annual amount may be prorated based on such Funding Participants’ planned date of participation in Markets+. SPP will invoice such Funding Participants for these amounts quarterly, with the initial invoice issued by the Go-Live Date, payment for which is due within twenty (20) Business Days of receipt.

(c) The Phase 2 Implementation Cost, Markets+ Total Cost, Post-Phase 1 Payments, and each Funding Participant’s Stage 1 Phase 2 Obligation (if applicable), Phase 2 Obligation and Phase 2 Pro Rata Share will only be recalculated by SPP as follows:

(i) A reduction in a Funding Participant’s Phase 2 Obligation and Phase 2 Pro Rata Share, and an increase in Markets+ Total Cost, if applicable, if an additional Funding

Participant executes a joinder to this Agreement, resulting in an increase to the total 2023 Net Energy for Load (“NEL”),

(ii) An increase in the Phase 2 Implementation Cost and in each Remaining Funding Participant’s Phase 2 Obligation pursuant to a written amendment signed by the Remaining Funding Participants as provided in Section 2,

(iii) A reduction in Phase 2 Implementation Cost Remaining as provided herein, or

(iv) An increase in Post-Phase 1 Payments and Markets+ Total Cost resulting from SPP’s receipt of additional Post-Phase 1 Payments. SPP will, as necessary to account for the additional Post-Phase 1 Payments received, also recalculate the Phase 2 Obligation of Funding Participants who did not make the additional Post-Phase 1 Payments.

(d) Following the Go-Live Date, SPP will calculate the Phase 2 Implementation Cost Remaining. As the Financing is repaid, SPP will re-calculate the Phase 2 Implementation Cost Remaining and each Funding Participant’s then current Phase 2 Obligation on a quarterly basis.

(e) Any change to the Phase 2 Implementation Cost, Phase 2 Implementation Cost Remaining, Post-Phase 1 Payments, Markets+ Total Cost, and each Funding Participant’s Phase 2 Obligation and Phase 2 Pro Rata Share will be memorialized in a revision to Exhibit 1, which will be posted on the internet website of SPP (and notice thereof provided to the Remaining Funding Participants) and, absent manifest error, will be binding upon the Parties without the need for execution of an amendment to this Agreement, effective as of the date that the updated Exhibit 1 is posted to SPP’s website. In the event that SPP becomes aware of a manifest error in Exhibit 1, SPP will notify the Funding Participants of the error. SPP will then correct and re-post Exhibit 1, which will be binding upon the Parties effective as of the date that corrected Exhibit 1 is provided to Funding Participants. Likewise, SPP may update Exhibit 1 with additional values as necessary if an additional Funding Participant executes a joinder to this Agreement without the need for execution of an amendment to this Agreement. The foregoing does not apply to any changes to the defined terms in Exhibit 1, which may be revised only in an executed amendment to this Agreement. Any increase to the Phase 2 Implementation Cost and each Funding Participant’s Phase 2 Obligation made pursuant to a Change Notice must be made in accordance with Section 2.

6. Collateral.

(a) “**Collateral**” is defined as:

(i) Cash deposited into an account with Lender in the name of SPP and subject to the control of and restrictions imposed by Lender; or

(ii) An irrevocable standby letter of credit with Lender as the sole beneficiary, which is at all times in a form and drawn upon a Qualified Institution, as defined below, acceptable to SPP and its Lender. The irrevocable letter of credit will contain a provision that, if the applicable Funding Participant withdraws from this Agreement in accordance with its terms but prior to the obligations under the Financing being paid in full, then, within ten (10) Business Days of the following condition being met, Lender will provide authorization in writing to the applicable issuing bank to terminate such letter of credit:

Lender shall have received a repayment of loans (and if there is any excess, a payment of all remaining amounts into the cash collateral account) in an aggregate amount equal to no less than 100% of the applicable Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time of such Funding Participant's withdrawal.

SPP will assist Funding Participants in facilitating the release of its Collateral with Lender when permitted under this Agreement.

To facilitate posting of Collateral by irrevocable letter of credit, SPP will, promptly after the Effective Date, provide the Funding Participants with a form of irrevocable letter of credit in a form acceptable to SPP and the Lender. SPP, in consultation with the Lender, if required, will use reasonable efforts to respond to and finalize any reasonably requested changes to the form irrevocable letter of credit by a Funding Participant.

SPP will provide Funding Participants with valid wire instructions for the Lender to transfer Collateral in the form of cash, together with contact information for an authorized individual at the Lender for verification purposes.

A Funding Participant may provide a combination of forms of Collateral, subject to Section 6(e). Further, SPP will use commercially reasonable efforts to allow a Funding Participant to replace one acceptable form of Collateral with another acceptable form in an equivalent amount.

The term “**Qualified Institution**” means a financial institution organized under the laws of the United States or any state of the United States or the District of Columbia or a branch or agency of a foreign commercial bank located in the United States, with a minimum corporate debt rating of an “A-” by S&P, “A3” by Moody's, “A-” by Fitch, or an equivalent short-term debt rating by any of these agencies.

(b) *Timing.* After SPP notifies the Funding Participants that SPP has secured the requisite regulatory approval for the Financing (“**Initial Collateral Deadline**”), each Funding Participant shall provide Collateral to the lender providing the Financing (the “**Lender**”) in an amount determined in paragraph (c) below within twenty (20) Business Days of such notice (“**Initial Collateral Deadline**”). A Funding Participant that executes this Agreement or a joinder hereto after the Initial Collateral Deadline must provide the Lender with Collateral in an amount determined in paragraph (c) below concurrently with execution of this Agreement. Each Funding Participant must continuously maintain the required Collateral throughout the Term to secure its obligations under this Agreement and SPP's payment obligations under the Loan Agreement, and this Agreement may be further assigned to Lender as provided in Section 12(e). Each Funding Participant shall promptly provide notice to SPP that the Collateral has been provided to the Lender as required herein. All such Collateral will be effective as of the effective date of the Loan Agreement.

(c) *Amount.* If a Funding Participant executes this Agreement prior to expiration of Stage 1, each such Funding Participant will provide Collateral in an amount equal to not less than 100% of the Funding Participant's Stage 1 Phase 2 Obligation and, within twenty (20) Business Days after the end of Stage 1, each Funding Participant shall provide additional Collateral to the Lender such that the total amount of Collateral is not less than 100% of the Funding Participant's Phase 2 Obligation. If a Funding Participant executes this Agreement after expiration of Stage 1,

each such Funding Participant will provide Collateral in an amount equal to not less than 100% of the Funding Participant's Phase 2 Obligation.

(d) A Funding Participant that executes this Agreement with SPP ten (10) Business Days or less after certification by SPP of Funding Threshold may provide the required Collateral in any of the acceptable forms described in Section 6(a).

(e) A Funding Participant that executes this Agreement with SPP more than ten (10) Business Days after certification by SPP of Funding Threshold shall provide Collateral in the form of cash in an amount not less than 10% of the Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time of the Funding Participant's execution of this Agreement, with the remaining Collateral being provided in any form provided in Section 6(a).

(f) Lender (at the direction of SPP or under the Loan Agreement) may draw upon or otherwise exercise its rights to the Collateral posted by a Funding Participant in the following circumstances.

(i) An Event of Default has occurred and is continuing with respect to the Funding Participant; or

(ii) An event of default by SPP under the Loan Agreement has occurred and is continuing. SPP will immediately notify the Remaining Funding Participants if SPP becomes aware that an event of default has occurred and is continuing under the Loan Agreement.

If Lender draws on Collateral as provided in Section 6(f)(i), Lender (at the direction of SPP or under the Loan Agreement) will only draw on Collateral provided by the applicable defaulting Funding Participant. If Lender draws on Collateral as provided in Section 6(f)(ii) above, and Lender draws on Collateral in a manner that is not proportionate to each Remaining Funding Participant's respective Phase 2 Pro Rata Share, then the Remaining Funding Participants will work together in good faith to agree to a financial true-up between them such that the financial responsibility among them is proportionate to their respective Phase 2 Pro Rata Share.

Proceeds from the Collateral will be used to make a payment on the Financing pursuant to the Loan Agreement. SPP will credit any such proceeds towards such Funding Participant's Phase 2 Obligation.

(g) In the event of a recalculation of a Funding Participant's Phase 2 Obligation hereunder:

(i) The amount of Collateral shall not automatically be reduced; provided, however, that: on or before the first anniversary of the Go-Live Date, and annually thereafter, SPP will notify each Funding Participant of the portion of the Collateral that exceeds 100% of each Funding Participant's Phase 2 Obligation. SPP will direct Lender to authorize the release of such excess Collateral to Funding Participants, including countersigning amendments to letters of credit to reduce the available amount thereunder. SPP shall assist Funding Participant in facilitating the release of Collateral consistent with this subsection.

(ii) If at any point the total Collateral provided by a Funding Participant does not equal 100% of the Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, additional Collateral will be required of that Funding Participant to satisfy the 100% requirement.

(h) Any interest earned on cash Collateral provided by a Funding Participant will accrue solely to the benefit of the Funding Participant providing that cash, and SPP will cause that interest to be paid over to the Funding Participant quarterly (or such other interval as the Funding Participant and SPP may agree).

(i) All obligations in this Agreement for SPP to release (or cause Lender to release) the undrawn portion of any Collateral back to the Funding Participant following satisfaction of the Funding Participant's obligations will survive any termination or expiration of this Agreement until released.

7. Termination, Withdrawal, and Effect of Termination/Withdrawal.

(a) The Parties may mutually agree to terminate this Agreement in writing at any time.

(b) Automatic Termination. This Agreement automatically terminates when the Financing has been repaid in full. SPP will, or will cause the Lender to, release all remaining, undrawn Collateral back to the applicable Funding Participants following payment in full.

(c) Termination After Funding Threshold and Prior to Satisfaction of Financing Conditions: If Financing Conditions have not been achieved by the expiration of Stage 1, this Agreement shall automatically terminate.

(d) Termination After Funding Threshold is Satisfied and Before the Go-Live Date:

(i) Termination by SPP after Funding Threshold is satisfied but prior to the Go-Live Date:

If the withdrawals of Funding Participants from this Agreement result in less than 175,000 GWh of 2023 NEL remaining subject to this Agreement (or such lower number as may be reflected in a Notice of Re-Commitment) or if there is a significant problem with the market structure that cannot be resolved, SPP may, with approval of the SPP Board of Directors, provide the Funding Participants notice in writing of its intent to terminate this Agreement ("**Notice of Intent to Terminate**"). Such significant unresolvable problems include, but are not limited to, an inability of SPP to recover all of its costs associated with Markets+. At any regularly scheduled meeting of the SPP Board of Directors, SPP may request authority to issue a Notice of Intent to Terminate from the SPP Board of Directors, or the SPP Board of Directors may act on its own authority to issue a Notice of Intent to Terminate, under the terms of this Section 7(d)(i). Following issuance of a Notice of Intent to Terminate, the Parties will engage in twenty (20) Business Days of good faith negotiations to determine if concerns leading to the issuance of the Notice of Intent to Terminate are capable of resolution and, if so, to resolve such concerns. At a regularly scheduled meeting of the SPP Board of Directors, SPP will report the results of the negotiations to the SPP Board of Directors and request authority from the SPP Board of Directors to either: (1) provide written notice to all Funding Participants that the Notice of Intent to Terminate is rescinded ("**SPP Notice of Resolution**") or (2) provide written notice

to all Funding Participants that SPP is terminating immediately its obligations under this Agreement (“**Phase 2 Funding Agreement Termination Notice**”). SPP will act in accordance with the SPP Board of Directors’ direction. If SPP issues a Phase 2 Funding Agreement Termination Notice, complete termination of this Agreement will be effective immediately upon each Funding Participant’s payment of its Stage 1 Phase 2 Obligation or Phase 2 Obligation in full, whichever is effective at the time, which may be reduced as further described in this Section 7(d)(i).

Following a Phase 2 Funding Agreement Termination Notice, SPP will make commercially reasonable efforts to: (1) facilitate discussions among the Remaining Funding Participants to determine interest in moving forward with Markets+ with a new market operator; (2) facilitate communications between Remaining Funding Participants and parties providing services during implementation of Markets+ in order to explore the transfer of services to a new market operator, if selected; and (3) make filings with FERC as necessary to withdraw as market operator of Markets+.

If SPP terminates this Agreement pursuant to this Section 7(d)(i), SPP will make a good faith effort to avoid any further costs and obligations related to Phase 2, but that shall not relieve each Funding Participant of its obligation to pay its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, which may be reduced as provided in this Section 7(d)(i). Each Remaining Funding Participant will be invoiced within twenty (20) Business Days of the Phase 2 Funding Agreement Termination Notice for the portion of the Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2 Obligation consisting of the Funding Participant’s Phase 2 Pro Rata Share of actual expenses incurred to date and known expected additional expenses, which amount will not exceed the Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time (“**Initial Wind Up Invoice**”), and each Funding Participant shall pay this invoice within twenty (20) Business Days of receipt.

SPP will provide a final accounting within 18 months to each Funding Participant, current and prior, of the actual expenses incurred, including wind-down costs, which may include commercially reasonable severance payments. If the final accounting results in actual costs that differ from the costs used to calculate the Initial Wind Up Invoice, then (i) if the costs are greater, each Remaining Funding Participant will be invoiced for its Phase 2 Pro Rata Share of the difference in costs (“**Final Wind Up Invoice**”), provided that the Initial Wind Up Invoice and Final Wind Up Invoice, in aggregate, will not exceed the Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, and each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days of receipt; or (ii) if costs are less, SPP will, within forty (40) Business Days of the final accounting results, issue a refund to all current and prior Funding Participants pro rata based on amounts paid (directly or through a draw on Collateral) by each Funding Participant pursuant to this Agreement.

(ii) Termination by a Funding Participant after Funding Threshold is satisfied but prior to the Go-Live Date:

A Funding Participant may deliver to SPP a written notice of withdrawal (“**Withdrawal Notice**”), subject to the provisions of this Agreement, including without limitation payment of the Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2

Obligation, whichever is effective at the time, as provided below. SPP will promptly notify the other Funding Participants if it receives a Withdrawal Notice. Upon receipt of a Withdrawal Notice, SPP will issue to Funding Participant an invoice for the amount of the Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, which must be paid within twenty (20) Business Days of receipt. Upon payment in full to SPP of its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, this Agreement will terminate as to the withdrawing Funding Participant and such withdrawing Funding Participant will have no further liability under this Agreement.

SPP and the Funding Participant that issued the Withdrawal Notice will engage in twenty (20) Business Days of good faith negotiations to determine if concerns leading to the issuance of the Withdrawal Notice are capable of resolution and, if so, to resolve such concerns. If the Parties successfully resolve the concerns of the Party issuing the Withdrawal Notice, the Party that issued such notice shall notify SPP in writing that the Withdrawal Notice is rescinded ("**Funding Participant's Notice of Resolution**"). If the Funding Participant provides a Funding Participant's Notice of Resolution to SPP prior to the end of the twenty (20) Business Day period above, the Funding Participant will not be obligated to pay the invoice associated with the Withdrawal Notice and this Agreement will continue in full force and effect as to the Funding Participant.

In the event that all Funding Participants have issued Withdrawal Notices and paid their full Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, (directly or through draw on Collateral), to the extent SPP has collected a greater sum of money than is required to repay the Financing and pay all actual expenses incurred, including wind-down costs, each Funding Participant, current and prior, will receive a distribution of that Funding Participant's overpayment based on amounts paid (directly or through draw on Collateral). SPP will provide such funds to such Funding Participants as soon as practicable, but not more than eighteen (18) months following the latest issuance of a Withdrawal Notice.

(e) Termination After Go-Live Date:

(i) Termination by SPP After Go-Live Date:

If the withdrawals of Funding Participants from this Agreement result in less than 175,000 GWh of 2023 NEL remaining subject to this Agreement or if there is a significant problem with the market structure that renders the market inoperable or results in an inability for SPP to recover the Phase 2 Implementation Cost Remaining, SPP may, with approval of the SPP Board of Directors, provide the Funding Participants with a Notice of Intent to Terminate. Such significant unresolvable problems include, but are not limited to, an inability of SPP to recover all of its costs associated with Markets+. At any regularly scheduled meeting of the SPP Board of Directors, SPP may request authority to issue a Notice of Intent to Terminate from the SPP Board of Directors, or the SPP Board of Directors may act on its own authority to issue a Notice of Intent to Terminate, under the terms of this Section 7(e)(i). Following issuance of a Notice of Intent to Terminate, the Parties will engage in twenty (20) Business Days of good faith negotiations to determine if concerns leading to the issuance of the Notice of Intent to Terminate are capable of resolution and, if so, to resolve such concerns. At a regularly scheduled meeting of the SPP

Board of Directors, SPP will report the results of the negotiations to the SPP Board of Directors and request authority from the SPP Board of Directors to either: (1) provide all Funding Participants with an SPP Notice of Resolution or (2) provide all Funding Participants with a Phase 2 Funding Agreement Termination Notice. SPP will act in accordance with the SPP Board of Directors' direction. If SPP issues a Phase 2 Funding Agreement Termination Notice, complete termination of this Agreement will be effective immediately upon each Funding Participant's payment of its Phase 2 Obligation in full as described in this Section 7(e)(i).

Following a Phase 2 Funding Agreement Termination Notice, if SPP seeks approval from FERC to withdraw as market operator for Markets+, SPP will make commercially reasonable efforts to: (1) facilitate discussions among the Remaining Funding Participants to determine interest in moving forward with Markets+ with a new market operator; (2) facilitate communications between Remaining Funding Participants and the parties that provided services during implementation of Markets+ in order to explore the transfer of services to a new market operator, if selected; and (3) make any additional filings with FERC as necessary to withdraw as market operator of Markets+.

If SPP terminates this Agreement pursuant to this Section 7(e)(i), SPP will invoice each Remaining Funding Participant within twenty (20) Business Days of the effective date of the Phase 2 Funding Agreement Termination Notice for the portion of the Remaining Funding Participant's Phase 2 Obligation consisting of the Remaining Funding Participant's Phase 2 Pro Rata Share of Phase 2 Implementation Cost Remaining, and known expected additional expenses (such sum not to exceed the Funding Participant's Phase 2 Obligation), and each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days.

SPP will provide a final accounting within 18 months to each Remaining Funding Participant of the actual expenses incurred, including wind-down costs, which may include commercially reasonable severance payments. Each Remaining Funding Participant will be invoiced for that portion of the Remaining Funding Participant's Phase 2 Obligation consisting of the Remaining Funding Participant's Phase 2 Pro Rata Share of remaining actual expenses incurred and wind-down costs (such sum, aggregated with the initial invoice, not to exceed the Funding Participant's Phase 2 Obligation) within twenty (20) Business Days of the date of final accounting. Each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days of receipt. In the event of a credit to a Remaining Funding Participant, SPP will issue a refund to such Remaining Funding Participant within forty (40) Business Days of issuance of the invoice.

(ii) Termination by a Funding Participant After Go-Live Date:

A Funding Participant may deliver a Withdrawal Notice to SPP, subject to the provisions of this Agreement, including without limitation payment of the Funding Participant's Phase 2 Obligation as provided below. A Funding Participant that terminates its Markets+ Market Participant Agreement must concurrently provide a Withdrawal Notice. SPP will notify the other Funding Participants if it receives a Withdrawal Notice. Upon receipt of a Withdrawal Notice, SPP will issue to Funding Participant an invoice for the amount of the Funding Participant's Phase 2 Obligation, which must be paid within twenty (20) Business Days. Upon payment in full to SPP of its Phase 2 Obligation, this

Agreement will terminate as to the withdrawing Funding Participant and such withdrawing Funding Participant will have no further liability under this Agreement. SPP and the Funding Participant that issued the Withdrawal Notice will engage in twenty (20) Business Days of good faith negotiations to determine if concerns leading to the issuance of the Withdrawal Notice are capable of resolution and, if so, to resolve such concerns. If the Parties successfully resolve the concerns of the Party issuing the Withdrawal Notice, the Party that issued such notice shall issue a Funding Participant's Notice of Resolution. If the Funding Participant provides a Funding Participant's Notice of Resolution to SPP prior to the end of the twenty (20) Business Day period above, the Funding Participant will not be obligated to pay the invoice associated with this Withdrawal Notice and this Agreement will continue in full force and effect as to the Funding Participant.

(f) Re-Commitment by Funding Participants

SPP will promptly notify the Remaining Funding Participants if the Remaining Funding Participants represent less than 175,000 GWh of 2023 NEL. If at any time after Funding Threshold has been met and before the Go-Live Date, the withdrawals of Funding Participants from this Agreement result in less than 175,000 GWh of 2023 NEL remaining subject to this Agreement and a Notice of Re-Commitment, as defined below, has not been delivered to SPP with respect thereto, then, on written request from SPP to the Funding Participants or any one Funding Participant to the other Funding Participants and SPP, the Funding Participants will engage in twenty (20) Business Days of good faith discussions to determine if there is sufficient interest among the Remaining Funding Participants to continue with the funding of Phase 2. During the foregoing twenty (20) Business Day period, SPP will, to the extent feasible, pause all draws under the Loan Agreement.

If, prior to the end of such twenty (20) Business Day period, at least two Remaining Funding Participants representing at least 150,000 GWh of 2023 NEL execute and deliver to SPP a notice re-committing to funding Phase 2 ("**Notice of Re-Commitment**"), then this Agreement shall continue in full force and effect.

If a Notice of Re-Commitment is not delivered to SPP prior to the expiration of the twenty (20) Business Day period above, this Agreement will automatically terminate, but that shall not relieve each Funding Participant of its obligation to pay its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, which may be reduced as provided in this Section 7(f). If this Agreement terminates pursuant to this Section 7(f), SPP will make a good faith effort to avoid any further costs and obligations related to Phase 2. SPP will send an Initial Wind Up Invoice to each Remaining Funding Participant and each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days of receipt.

SPP will provide a final accounting within 18 months to each Funding Participant, current and prior, of the actual expenses incurred, including wind-down costs, which may include commercially reasonable severance payments. If the final accounting results in actual costs that differ from the costs used to calculate the Initial Wind Up Invoice, then (i) if the costs are greater, each Remaining Funding Participant will be sent a Final Wind Up Invoice, provided that the Initial Wind Up Invoice and Final Wind Up Invoice, in aggregate, will not exceed the Funding Participant's Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, and each Remaining Funding Participant shall pay this invoice within twenty (20) Business Days of receipt; or (ii) if costs are less, SPP will, within forty (40) Business Days of the final accounting

results, issue a refund to all current and prior Funding Participants pro rata based on amounts paid (directly or through a draw on Collateral) by each Funding Participant pursuant to this Agreement.

(g) Notwithstanding anything to the contrary herein, a Withdrawal Notice shall not result in termination of this Agreement with regard to that Funding Participant until payment in full to SPP of its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time of termination.

8. Default by a Funding Participant.

(a) The following constitutes an “**Event of Default**” by a Funding Participant under this Agreement, if not cured as provided below, if applicable:

(i) Failure by a Funding Participant to pay in full its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, when due and owing under this Agreement;

(ii) Failure by a Funding Participant to provide and maintain Collateral pursuant to this Agreement, including but not limited to the following circumstances: (A) the issuer of the letter of credit fails to be a Qualified Institution, or a Funding Participant receives written notice that the issuer of the letter of credit will fail to be a Qualified Institution, and, in either case, a satisfactory replacement of Collateral is not provided to Lender within ten (10) Business Days, (B) a satisfactory replacement of Collateral was not provided to Lender thirty (30) Business Days prior to the expiration of the letter of credit, (C) the issuer fails to comply with or perform its obligations under such letter of credit, if such failure continues after the lapse of any applicable grace period, (D) the issuer disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such letter of credit, and (E) any event analogous to an event specified in Section 8(a)(iii) of this Agreement occurs with respect to the issuer and a satisfactory replacement of Collateral was not provided to Lender within ten (10) Business Days thereafter;

(iii) A Funding Participant's: (A) commencement of a voluntary case under Title 11 of the United States Code; (B) filing an answer or other pleading admitting or failing to deny the material allegations of a petition filed against it commencing an involuntary case under said Title 11, or seeking, consenting to or acquiescing in the relief therein provided, or by failing to controvert timely the material allegations of any such petition; (C) the entry of an order for relief in any involuntary case commenced under said Title 11; (D) seeking relief as a debtor under any applicable law, other than said Title 11, of any jurisdiction relating to the liquidation or reorganization of debtors or to modification or alteration of the rights of creditors, or by its consenting to or acquiescing in such relief; (E) the entry of an order by a court of competent jurisdiction: (a) finding it to be bankrupt or insolvent, (b) ordering or approving its liquidation, reorganization or any modification or alteration of the rights of its creditors, or (c) assuming custody of, or appointing a receiver or other custodian for all or a substantial part of its property; (F) the filing of a petition under Title 11; or (G) making an assignment for the benefit of, or entering into a composition with, its creditors, or appointing or consenting to the appointment of a receiver or other custodian for all or a substantial part of its property; or

(iv) A Funding Participant terminates its Markets+ Market Participant Agreement and does not concurrently provide a Withdrawal Notice.

(b) If SPP or Lender considers that an Event of Default as set forth in Section 8(a)(i) or 8(a)(ii) has occurred, SPP or Lender will provide written notice to the defaulting Funding Participant. If an Event of Default occurs as set forth in Section 8(a)(i), 8(a)(ii)(A, E), or 8(a)(iv) of this Agreement, such Funding Participant shall be in default and SPP and Lender shall have all rights to collect from Funding Participant its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, and damages resulting from such failure to pay, if applicable. If the defaulting Funding Participant fails to remedy an Event of Default as set forth in Section 8(a)(ii)(B–D) of this Agreement within ten (10) Business Days of the date of SPP’s or Lender’s written notice to such Funding Participant, such Funding Participant shall be in default and SPP and Lender shall have all rights to collect from Funding Participant its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, and damages resulting from such failure to pay. Immediately upon the occurrence of an Event of Default as set forth in Section 8(a)(iii) of this Agreement, such Funding Participant will provide notice to SPP.

9. Rights Related to Stakeholder Process.

Each Funding Participant will have the right to vote in the stakeholder process during Phase 2. A Funding Participant’s right to vote during Phase 2 under this Agreement will be removed if there is an Event of Default by the Funding Participant that is continuing or if the Funding Participant withdraws from this Agreement during Phase 2.

10. Limitation of Liability.

Each Funding Participant’s obligation to post Collateral and, where applicable, pay its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, hereunder is several and not joint and several, and is limited to that Funding Participant’s Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, as provided in Exhibit 1.

To the extent allowed by law, the Parties acknowledge and agree that no Party shall be liable to any other Party for any special, indirect, exemplary, punitive, incidental or consequential loss or damage (including any loss of revenue, income, profits or investment opportunities or claims of third party customers) for any claim arising under this Agreement; provided, however, that the limitations of liability set forth in this sentence do not apply with respect to a Funding Participant’s gross negligence, fraud, or willful misconduct, or its violation of applicable law.

This Section 10 will survive the expiration or termination of this Agreement.

11. Force Majeure.

If, and to the extent that, a Party’s performance of any of its obligations (other than payment obligations) pursuant to this Agreement is prevented or delayed directly or indirectly by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, pandemics, rebellions, or revolutions (each a “**Force Majeure Event**”), and such non-performance or delay could not have been prevented by reasonable precautions or diligence by the claiming Party, then such Party shall be excused for such non-performance or delay, as applicable, of those obligations affected by the Force Majeure Event solely for as long as the Force Majeure Event continues to prevent or delay performance and the claiming Party continues to use its commercially

reasonable efforts to recommence performance whenever and to whatever extent possible without delay.

12. General Provisions.

(a) This Agreement, including Exhibit 1 to this Agreement, constitutes the entire agreement between the Parties, and supersedes any prior written or oral agreements or understandings between the Parties, relating to the subject matter of this Agreement; provided, that nothing in this Agreement shall limit, or in any manner modify, the existing legal rights, privileges, and duties of each of the Parties as provided by any other agreement between the Parties, or by any statute or any other law or applicable court or regulatory decision by which such Party is bound.

(b) Other than as provided in Section 5(c) of this Agreement with regard to Exhibit 1, this Agreement may not be amended except in writing hereafter signed by SPP and all Remaining Funding Participants at the time.

(c) Any waiver by a Party to this Agreement of any provision or condition of this Agreement must be in writing, signed by the Party to be bound by such waiver, shall be effective only to the extent specifically set forth in such writing and shall not limit or affect any rights with respect to any other or future circumstance.

(d) This Agreement is for the sole and exclusive benefit of the Parties and shall not create a contractual relationship with, or cause of action in favor of, any third party other than the Lender to whom this Agreement is assigned.

(e) No Party shall have the right to voluntarily assign its interest in this Agreement, including its rights, duties, and obligations hereunder, without the prior written consent of the other Parties, which consent may be withheld by the other Parties in its sole and absolute discretion. Notwithstanding the foregoing, (i) SPP may assign this Agreement and any and all rights hereunder to the Lender in connection with the Financing, and (ii) Funding Participant hereby consents to one or more such assignments to any such Lender providing the Financing for Phase 2 and agrees that any such Lender may rely on this consent without the need for a separate consent. If a Lender does so require a separate consent, Funding Participant hereby agrees to execute same in such form as may be reasonably requested by such Lender. Any assignment of this Agreement to Lender shall be solely in connection with the Financing, and such Lender shall have no liability or obligation of any kind whatsoever arising from or in connection with any such assignment except as expressly set forth in such assignment and the Loan Agreement. Any assignment made in violation of the terms of this Section 12(e) shall be null and void and shall have no force and effect.

(f) In the event that any provision of this Agreement is determined to be invalid or unenforceable for any reason, in whole or part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law, provided such remaining provisions retain the essence of the bargain struck by the Parties, and such invalid or unenforceable provision shall be replaced by the Parties with a provision that is valid and enforceable and that comes closest to expressing the Parties' intention with respect to such invalid or unenforceable provision.

(g) Whenever this Agreement requires or provides that (i) a notice be given by a Party to the other Party or (ii) a Party's action requires the approval or consent of the other Party, such notice, consent or approval shall be given in writing and shall be given by personal delivery, by recognized overnight courier service, or by certified mail (return receipt requested), postage prepaid, to the recipient thereof at the address given for such Party as set forth below or on the signature page hereto, or to such other address as may be designated by notice given by any Party to the other Party in accordance with the provisions of this Section 12(g):

If to SPP:

Antoine Lucas
 201 Worthen Drive
 Little Rock, AR 72223-4936
 Email: alucas@spp.org
 With a Copy to: legalnotices@spp.org

If to Funding Participant: To the Party and the address provided on the signature page hereto.

For any notice, consent, or approval given by personal delivery, overnight courier, or certified mail, the delivering Party shall send contemporaneously a copy thereof by email to the receiving Party at the address specified above. Each notice, consent or approval shall be effective (a) if given by personal delivery, on the later of the day (1) of such delivery, or (2) that the email copy of such notice, consent, or approval is delivered to the receiving Party; (b) if given by overnight delivery, on the later of the (1) first Business Day following dispatch, or (2) day that the email copy of such notice, consent, or approval is delivered to the receiving Party; or (c) if given by certified mail (return receipt requested), on the later of the (1) third Business Day following mailing, or (2) day that the email copy of such notice, consent, or approval is delivered to the receiving Party. It is the responsibility of each Party to provide, in accordance with this Section, notice to the other Party of any necessary change in the contact or address information herein.

Notwithstanding the foregoing, SPP's notice certifying that Funding Threshold has been achieved may be provided by email only and a Funding Participant's Withdrawal Notice pursuant to Section 7 of this Agreement must be provided to SPP by e-mail at legalnotices@spp.org and will be deemed effective as of the date and time the e-mail is sent regardless of whether during business hours or on a Business Day.

(h) This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, and all of which shall together constitute one and the same instrument, and the Parties may rely on electronic or scanned signatures as originals. Delivery of an executed signature page of this Agreement by electronic mail transmission (in portable document format (PDF) or other format agreed by the Parties) shall be the same as delivery of a manually executed signature page.

(i) Nothing contained in this Agreement shall be construed as creating a corporation, company, partnership, association, joint venture or other entity with the other Party(ies), nor shall anything contained in this Agreement be construed as creating or requiring any fiduciary

relationship between the Parties. Except as expressly provided herein, no Party shall be responsible hereunder for the acts or omissions of the other Parties.

(j) Nothing in this Agreement shall preclude a Party from exercising any rights or taking any action (or having its affiliates take any action) with respect to any other matter.

(k) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply: (i) the insertion of headings are for convenience of reference only and do not affect, and will not be utilized in construing or interpreting, this Agreement; (ii) all references in this Agreement to any “Section” are to the corresponding Section of this Agreement unless otherwise specified; (iii) words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Agreement (including Exhibit 1 to this Agreement) as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires; (iv) the word “including” or any variation thereof means “including, without limitation” and does not limit any general statement that it follows to the specific or similar items or matters immediately following it; and (v) the Parties have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties, and no presumption or burden of proof favoring or disfavoring any Party will exist or arise by virtue of the authorship of any provision of this Agreement.

(l) A “**Business Day**” is a day on which the Federal Reserve System is open for business.

13. Choice of Law and Venue.

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Arkansas without regard to its principles of conflicts of law; provided, however, that any question concerning a utility’s status as a political subdivision of a state and any rights and obligations related to such status shall be determined in accordance with the laws of that state. Venue for any action hereunder shall be FERC, where subject to its jurisdiction, or otherwise any state or federal court with jurisdiction in Pulaski County, Arkansas.

14. Dispute Resolution.

(a) In the event of any dispute arising under this Agreement that does not involve BPA, the Parties shall, to the extent practicable, first attempt to resolve the matter through direct good faith negotiation between the Parties, including a full opportunity for escalation to executive management within the Parties’ respective organizations. For all other matters, the Parties may pursue action at FERC or in a state or federal court of competent jurisdiction located in Pulaski County, Arkansas. If a Party pursues an action in a state or federal court of competent jurisdiction located in Pulaski County, Arkansas, the following will apply:

(i) To the fullest extent permitted by law, each of the Parties hereto waives any right it may have to a trial by jury in respect of litigation within the federal or state courts specified herein, directly or indirectly arising out of, under or in connection with this Agreement. Each Party further waives any right to consolidate, or to request the

consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

(ii) If a waiver of jury trial is deemed by any court of competent jurisdiction specified herein to not be enforceable for any reason, then to the fullest extent permitted by law, the Parties may agree to attempt in good faith to settle amicably through non-binding arbitration. Notwithstanding the foregoing, either Party may seek provisional legal or equitable remedies if, in such Party's reasonable judgment, such action is necessary to avoid irreparable damage or preserve the status quo.

(b) In the event of any dispute involving BPA arising under this Agreement, the Parties shall, to the extent practicable, first attempt to resolve the matter through direct good faith negotiations between the Parties, including a full opportunity for escalation to executive management within the Parties' respective organizations. For all other matters, the Parties may pursue action at FERC, the U.S. Court of Federal Claims, or another federal court of competent jurisdiction, in which case:

(i) To the fullest extent permitted by law, each of the Parties hereto waives any right it may have to a trial by jury in respect of litigation within the federal courts specified herein, directly or indirectly arising out of, under or in connection with this Agreement. Each Party further waives any right to consolidate, or to request the consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

(ii) If a waiver of jury trial is deemed by any court of competent jurisdiction specified herein to not be enforceable for any reason, then to the fullest extent permitted by law, the Parties may agree to attempt in good faith to settle amicably through non-binding arbitration. Notwithstanding the foregoing, either Party may seek provisional legal or equitable remedies if, in such Party's reasonable judgment, such action is necessary to avoid irreparable damage or preserve the status quo.

15. Third Party Agreements.

The Parties may engage in discussions with third parties, either jointly or unilaterally, to facilitate the development of Markets+. Each Party may adopt or modify tariffs or enter into or modify binding agreements between such Party and third parties to implement the approved terms and conditions of Markets+ as necessary and appropriate.

16. Bonneville Power Administration ("BPA") Special Provisions.

This Section 16 shall apply to BPA only.

(a) Sections 6 and Section 8(a)(ii) and (iii) of the Agreement shall not apply to BPA.

(b) As a federal entity, BPA cannot provide the Collateral described in Section 6. However, for purposes of satisfying collateral requirements of Lender, BPA will provide a letter of assurances from BPA's Chief Operating Officer setting forth BPA's authority to enter into this Agreement and statutory obligation requiring BPA to pay its Stage 1 Phase 2 Obligation or Phase 2 Obligation, whichever is effective at the time, pursuant to this Agreement (the "**Letter**"). BPA

will provide the Letter within ten (10) Business Days of certification by SPP of Funding Threshold. The Letter must be effective prior to the effective date of the Loan Agreement.

(c) Section 13 shall be replaced with the following:

Choice of Law and Venue.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the United States. Venue for any action hereunder shall be FERC, the U.S. Court of Federal Claims, or any other federal court of competent jurisdiction.

17. Non-Jurisdictional Status.

Some Funding Participants are non-jurisdictional utilities described in Section 201(f) of the Federal Power Act, 16 U.S.C. § 24(f). Nothing in this Agreement is intended to create additional FERC jurisdiction for such non-jurisdictional Parties, nor shall it be construed in a manner that creates additional FERC jurisdiction for such Parties.

[Signature page follows]

IN WITNESS WHEREOF, each of the Parties has caused its duly authorized officer to execute this Agreement as of the 13 day of February, 2025.

Bonneville Power Administration

Funding Participant Name

Joel D. Cook

Name of Authorized Representative

Chief Operating Officer

Title of Authorized Representative

JOEL COOK

Digitally signed by JOEL COOK
Date: 2025.02.13 16:01:06
-08'00'

Signature of Authorized Representative

Address:

905 NE 11th Ave

K-7

Portland, OR

Southwest Power Pool, Inc.

Lanny Nickell

Name of Authorized Representative

EVP & COO

Title of Authorized Representative



Signature of Authorized Representative

February 13, 2025

Exhibit 1 to SPP Markets+ Phase 2 Funding Agreement

This Exhibit 1 may be modified in accordance with the Phase 2 Funding Agreement.

The Phase 2 Implementation Cost is \$150,000,000.00.

The **Markets+ Total Cost** is as follows:

(i) Before and on the Go-Live Date, the Markets+ Total Cost equals the sum of: all Phase 1 Payments and all Post-Phase 1 Payments made by Funding Participants, and the Phase 2 Implementation Cost.

(ii) After the Go-Live Date, Markets+ Total Cost equals the sum of: all Phase 1 Payments and all Post-Phase 1 payments made by Funding Participants, and the Phase 2 Implementation Cost Remaining. In the event of termination of this Agreement pursuant to Section 7(e)(i), the actual expenses incurred by SPP will be considered part of the Markets+ Total Cost, provided the foregoing addition will not cause the Markets+ Total Cost after the Go-Live Date to exceed the Markets+ Total Cost on the Go-Live Date.

The “**Phase 1 Payments**” and “**Post-Phase 1 Payments**” are the payments made to SPP during Phase 1 and Post-Phase 1 by entities that executed the SPP Markets+ Phase 1 Funding Agreement.

The “**Phase 2 Pro Rata Share**” for each Funding Participant is provided below and is calculated by dividing such Funding Participant’s Obligation Share MWh by the sum of all Obligation Share MWh. The Obligation Share MWh is calculated based on the type of participating entity as detailed below:

- For an entity that is a Balancing Authority (“**Participating BA**”), the Obligation Share MWh is equal to the Participating BA’s Net Energy for Load (“**NEL**”) submitted to the Western Electricity Coordinating Council (“WECC”) for 2023 less Sub-Entity NEL, if applicable, and less NEL that was removed from the Participating BA prior to January 1, 2024, or that will be removed due to participation by the Sub-Entity in the SPP RTO Expansion estimated to be implemented in April 2026, if applicable. The Obligation Share MWh for Powerex Corp., if a Funding Participant, will be based on BC Hydro’s NEL for 2023.
- For an entity located within a Participating BA with generation and load (“**Sub-Entity**”), the Obligation Share MWh is equal to the Sub-Entity’s NEL submitted to WECC for 2023, revised for any permanent contracted load adjustments that occurred after that 2023 WECC reporting. If an entity qualifies as a Sub-Entity in multiple Participating BAs, the Sub-Entity’s Obligation Share MWh will be the aggregated NEL from each Participating BA.

The “**Phase 2 Obligation**” for a Funding Participant is that Funding Participant’s Phase 2 Pro Rata Share of the Markets+ Total Cost less the Funding Participant’s Phase 1 Payments and Post Phase 1 Payments. An entity that terminated its Phase 1 Funding Agreement before its term expired will not be credited for its Phase 1 Obligation Payments and Post Phase 1 Payments. Each Funding Participant’s Stage 1 Phase 2 Obligation, Phase 2 Obligation, and Phase 2 Pro Rata Share are provided below, as may be adjusted from time to time as provided in the Agreement

The “**Stage 1 Phase 2 Obligation**” is effective during Stage 1 and is two-thirds of the Funding Participant’s Phase 2 Obligation.

[Insert chart]

