

## **CAPACITY PURCHASE AGREEMENT**

This Capacity Purchase Agreement (the "Agreement") is entered into this 15th day of February 2022 (the "Effective Date"), by and between Dairyland Power Cooperative, a Wisconsin cooperative association ("Dairyland") and City of Strawberry Point, Iowa, a municipality existing under the laws of the state of Iowa ("Seller").

### **RECITALS**

1. Dairyland and Seller are also parties to a certain Capacity and Generation Agreement by and among Dairyland and Seller, with an effective date of January 1, 2014 (the "Generation Agreement"), whereby Seller has agreed to purchase substantially all of its capacity requirements from Dairyland.
2. Seller owns its own generating facilities with a corresponding Net Generating Capability.
3. Pursuant to Section 3.04 of the Generation Agreement, to the extent to which Seller's Accredited Capability is reasonably estimated to exceed Seller's Firm Capacity Obligation, and subject to applicable regulatory requirements, Dairyland shall have the right of first refusal to purchase the Excess Capacity.
4. Seller has the right to sell its Excess Capacity to Dairyland and is agreeing hereunder to only sell such Excess Capacity to Dairyland and not to any other party for the periods covered by this Agreement.
5. Seller is willing to sell Excess Capacity under this Agreement for the MISO Planning Years 2022, 2023, and 2024, and Dairyland is willing to purchase such excess capacity in amounts to be determined as provided herein.
6. Pursuant to Section 4.03 of Seller's Generation Agreement, Seller has granted Dairyland all rights required for Dairyland to accredit Seller's generation in MISO or successor organizations as part of Dairyland's generating capability.
7. Pursuant to Section 4.05 of the Generation Agreement, Seller has agreed that Seller's generation may be called upon by MISO or Dairyland as the Local Balancing Authority in emergency situations.
8. The Parties acknowledge and agree that this Agreement is a stand-alone Agreement that supplements and incorporates, but does not amend or modify, certain terms and conditions of the Generation Agreement. In particular, the Parties acknowledge that this Agreement for a multi-year sale of Seller's Excess Capacity is being executed on terms different than those contained in Section 3.04 of the Generation Agreement for the sale of Excess Capacity, and such terms in Section 3.04 shall not be deemed to affect, modify, or override the terms of this Agreement.

**NOW THEREFORE**, in consideration of these premises and the mutual promises set forth below, the Parties agree as follows:

**AGREEMENT  
ARTICLE I - DEFINITIONS**

- 1.1 All capitalized terms used but not specifically defined herein shall have the meaning provided in the Generation Agreement.
- 1.2 If not defined herein or the Generation Agreement, such capitalized terms shall have the meanings ascribed to such terms in the MISO Rules.
- 1.3 “Capacity-Related Benefits” means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the amount of Excess Capacity that Seller’s Facility can generate at a particular moment and that can be purchased and sold under market rules adopted in the region where the Facility is located and for the purposes of this transaction including “Zonal Resource Credits” (“ZRC”), as such term is defined in the MISO Rules. For clarification purposes, the Parties acknowledge and understand that, in accordance with the MISO Rules, one ZRC represents one megawatt (“MW”) of Unforced Capacity as defined in the MISO Rules from a Planning Resource that qualifies to satisfy the resource adequacy requirements of Module E-1 of the MISO Tariff. Seller’s Facility will be in MISO Local Resource Zone (“LRZ”) 1 for purposes of generating ZRCs. For purposes of delivery and performance, Capacity-Related Benefits will be measured to the tenth (1/10) of a MW, or according to the measurement method used under the MISO Rules, as may be amended from time to time, if the MISO Rules use a different measure.
- 1.4 “Excess Capacity” means the amount of Accredited Capability of Seller that is reasonably estimated to exceed Seller’s Firm Capacity Obligation.
- 1.5 “Facility” means Seller’s generating facilities with a corresponding Installed Capacity (“ICAP”) recognized by MISO as of the Effective Date as identified in Appendix A hereto. The Parties acknowledge and agree that such ICAP value may be modified by MISO from time to time, and that any modifications made by MISO to the recognized ICAP of Seller shall be deemed to amend and supersede the respective ICAP value set forth in Appendix A.
- 1.6 “MISO Rules” means the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff as may be amended from time to time (“MISO Tariff”); and (ii) the MISO Resource Adequacy Business Practices Manual as may be amended from time to time (“RA BPM”).

## ARTICLE II PURCHASE AND SALE

### 2.1 Term.

(a) This Agreement shall be effective as of the date set forth above and shall continue unless otherwise terminated in accordance with its terms until all obligations of the Parties hereto are met, including delivery of the Capacity-Related Benefits to be sold hereunder and payment therefore, except that any provisions herein which are intended to survive termination shall so survive.

(b) Seller is agreeing to sell, and Dairyland is agreeing to purchase, the Capacity-Related Benefits in an amount equal to Seller's Excess Capacity for each of the following MISO Planning Years:

PY2022-2023: June 1, 2022 – May 31, 2023

PY2023-2024: June 1, 2023 – May 31, 2024

PY2024-2025: June 1, 2024 – May 31, 2025

### 2.2 Sale and Purchase.

(a) Capacity-Related Benefits Quantity. The quantity of Capacity-Related Benefits to be delivered by Seller will vary each respective Planning Year and will be determined as provided in this Section.

(b) For Planning Year 2022-2023, Dairyland shall calculate the quantity of Capacity-Related Benefits expected to be delivered by Seller to Dairyland for that Planning Year and give written notice to Seller of such quantity on or before February 25, 2022. Seller shall have five (5) days from the date of such notice to object to Dairyland's calculation of the quantity by issuing written notice that reasonably describes the basis for Seller's objection. If Seller does not contest the calculation by such time, the quantity of Capacity-Related Benefits calculated by Dairyland shall be the quantity to be delivered and sold by Seller. If Seller does object within the time permitted, then the Parties shall confer in good faith within five (5) days of Seller's written notice of objection to resolve the dispute and confirm the quantity.

(c) For Planning Years 2023-2024 and 2024-2025, on or before February 15 prior to the start of each respective Planning Year, Dairyland shall calculate the quantity of Capacity-Related Benefits expected to be delivered by Seller to Dairyland for that Planning Year and give written notice to Seller of such quantity. Seller shall have five (5) days from the date of such notice to object to Dairyland's calculation of the quantity by issuing written notice that reasonably describes the basis for Seller's objection. If Seller does not contest the calculation by such time, the quantity of Capacity-Related Benefits calculated by Dairyland shall be the quantity to be delivered and sold by Seller. If Seller does object within the time permitted, then the Parties shall confer in good faith

within five (5) days of Seller's written notice of objection to resolve the dispute and confirm the quantity.

(d) For each Planning Year, Seller shall sell and deliver to Dairyland the confirmed quantity of Capacity-Related Benefits determined as set forth in Sections 2.2(b) and (c), and Dairyland shall purchase and receive such quantity.

(e) Dairyland agrees to purchase and accept delivery at the Point of Delivery the quantity of Capacity-Related Benefits delivered by Seller, subject to the terms and conditions of the Agreement. Seller agrees to deliver and sell the Capacity-Related Benefits for each Planning Year, to Dairyland at the Point of Delivery.

(f) If, during the term of this Agreement, MISO changes the length of the planning period for its resource adequacy requirements to a period other than a year, such as to seasons within a year, deliveries under this Agreement shall be adjusted to the changed length of the planning period that MISO then applies, and the Nomination Deadline shall be at least ninety (90) days prior to each such planning period and the Confirmation Deadline shall be at least 60 days prior to such planning period.

(g) Pursuant to its authority under the Generation Agreement, Dairyland shall register and accredit the Capacity-Related Benefits for each applicable Planning Year by submitting the necessary transaction(s) in the Module E Capacity Tracking Tool, or any successor system utilized by MISO for tracking and transferring ZRCs, ("MECT") to electronically reflect such quantity in Dairyland's MECT account prior to the commencement of the applicable Planning Year. The submitting and confirming of the appropriate transaction(s) in the MECT shall be conducted by Dairyland in accordance with the requirements of the MISO Rules and other applicable rules adopted by the MISO regarding the MECT.

### **2.3 Price.**

(a) The price for the Capacity-Related Benefits delivered by Seller shall be \$20,000.00 per ZRC that Seller's quantity of Capacity-Related Benefits is accredited by MISO.

(b) On or after April 1 but no later than April 10 prior to the start of each applicable Planning Year, Seller shall remit to Dairyland an invoice identifying the amount of ZRCs and/or fraction thereof delivered by Seller for the planning period, as accredited by MISO, and received by Dairyland.

(c) Within thirty (30) calendar days following receipt of the invoice, Dairyland shall remit to Seller full payment for all Capacity-Related Benefits delivered by Seller for the planning period, as accredited by MISO. Payment shall be made by wire or ACH transfer pursuant to such instructions as Seller shall provide.

#### **2.4 Failures to Deliver and/or Receive.**

In the event that Seller fails to deliver all or part of the Capacity-Related Benefits as required herein, Seller shall be responsible for all charges, penalties, and costs whatsoever associated with the failure to deliver, whether imposed by MISO or otherwise.

### **ARTICLE III MISCELLANEOUS**

#### **3.1 Taxes.**

Seller shall be solely responsible for all present or future federal, state, municipal, or other lawful taxes or fees applicable to Seller or the Plant or by reason of the sale of Capacity-Related Benefits under the Agreement.

#### **3.2 Regulatory Approval.**

To the extent Dairyland deems it necessary, in its sole discretion, Dairyland may request regulatory approval for this Agreement and the payments to be made to Seller pursuant to this Agreement from any regulatory agency or other Government Authority. Seller agrees to cooperate with Dairyland with respect to any such request by providing information reasonably necessary to support the request.

#### **3.3 No Assignment.**

Seller may not assign this Agreement or any rights or obligations hereunder without the prior written consent of Dairyland. Any assignment shall be binding upon the Parties respective successors and assigns.

#### **3.3 Effect of Generation Agreement.**

This Agreement depends upon certain rights and obligations afforded to Dairyland (or MISO) under the Generation Agreement to call upon Seller's generation and for Dairyland to act as the Market Participant for accrediting such generation in MISO and receiving the benefit thereof. All such rights and obligations existing in the Generation Agreement as of the Effective Date hereof which are necessary to enable or authorize Dairyland to take ownership of and acquire accreditation of Seller's generation are hereby incorporated in this Agreement as if fully stated herein. Otherwise, this Agreement is supplementary to but separate from and shall not affect any of the Parties' rights and obligations under the Generation Agreement, and a termination or modification of the Generation Agreement shall not affect any rights or obligations of the Parties as provided herein.

**3.4. Incorporation of Generation Agreement Provisions.**

Sections 6.01, 6.02, 6.03, 6.04, 6.08, 6.10, 6.12, 6.13, 6.15, and 6.17 of the Generation Agreement are hereby incorporated into this letter agreement, *mutatis mutandis*.

**3.5 Captions.**

All titles, subject headings, section titles, and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of the Agreement.

**3.6 No Third-Party Beneficiary.**

Unless expressly provided herein, no provision of the Agreement is intended to nor shall it in any way inure to the benefit of any customer, property owner, or any other third party, so as to constitute any such Person a third-party beneficiary under the Agreement, or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any Person not a Party hereto.

**{Signatures pages follow}**

**IN WITNESS WHEREOF**, the Parties have caused the Agreement to be duly executed as of the day and year first above written.

**DAIRYLAND POWER COOPERATIVE**  
**A Wisconsin cooperative association**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**CITY OF STRAWBERRY POINT**  
**An Iowa municipality**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Exhibits and Appendices**

**Appendix A List of Seller’s Generating Facilities**

As of February 1, 2022				
Resource Name	RZ	Asset Owner	Type	Effective ICAP (MW)
STRAWBERRY PT MUNI	1	DPC	BTMG	3.4