

Appendix 13.5.TDI-NE

**NECPL - Letter of Intent Between Community Action and TDI-NE (June
15, 2017)**

LETTER OF INTENT

This Letter of Intent (this "LOI"), dated as of June 22, 2017, by and between COMMUNITY ACTION OF THE FRANKLIN, HAMPSHIRE, AND NORTH QUABBIN REGIONS ("COMMUNITY ACTION"), a Massachusetts nonprofit corporation having its principal place of business at 393 Main Street, Greenfield, MA, 01301, and CHAMPLAIN VT, LLC d/b/a TDI-NE-NEW ENGLAND ("TDI-NE"), a Delaware limited liability company having its principal place of business at 600 Broadway, Albany, NY 12207 (together, the "Parties").

WHEREAS, TDI-NE is developing the New England Clean Power Link (the "NECPL"), an electric power transmission line project with a rated capacity of 1,000 megawatts ("MWs") that will be located in Vermont and serve the markets administered by ISO New England ("ISO-NE");

WHEREAS, the NECPL is capable of delivering an annual average of 8.3 terrawatt-hours ("TWh") per year of electricity into the ISO-NE market;

WHEREAS, the NECPL has successfully completed the necessary regulatory reviews at the state and federal levels, having received Certificates of Public Good from the Vermont Public Service Board, permits from the Vermont Agency of Natural Resources, U.S. Army Corps of Engineers and U.S. Department of Energy, and other governmental approvals;

WHEREAS, the NECPL has received its I.3.9 approval from ISO-NE;

WHEREAS, on August 8, 2016, Massachusetts Governor Baker signed into law Bill H.4568, "An Act to Promote Energy Diversity" (the "Act");

WHEREAS, the Act requires utilities in Massachusetts to solicit proposals for cost-effective, long-term supplies of up to 1,200 megawatts (9.45 TWh per year) of "clean energy generation" ("CEG") and mandates that, not later than April, 1, 2017 the State's electric utilities (the "MA Utilities") "shall jointly and competitively solicit proposals" for CEG (the "RFP");

WHEREAS, The Act further provides that the Department of Energy Resources shall give preference to proposals that demonstrate a benefit to low-income ratepayers in the Commonwealth of Massachusetts, without adding cost to the project;

WHEREAS, TDI-NE intends to submit a response to the RFP, in conjunction with its Canadian Energy Partners -- Hydro Quebec, Gaz Metro and Boralex -- who will supply the CEG that is to be transmitted by the NECPL;

WHEREAS, COMMUNITY ACTION is the federally designated anti-poverty program for Franklin and Hampshire counties, with a varied portfolio of services including energy efficiency and energy conservation installations designed to help low-income ratepayers in all four counties in Western Massachusetts reduce their energy costs;

WHEREAS, the Parties believe it is in their mutual interest to collaborate with one another in good faith to facilitate the commercialization of the NECPL and the associated benefits it will provide, and to memorialize their expectations regarding this collaboration;

NOW, THEREFORE, the Parties agree as follows:

1. **PURPOSE.** The purpose of this LOI is to memorialize the intention of the Parties with respect to the NECPL. Proceeding in good faith, the Parties will make commercially reasonable efforts to negotiate and enter into a definitive agreement that implements this LOI. Should such efforts not succeed, either of the Parties, in its sole discretion, may unilaterally terminate this LOI by written notice to the other party. Upon any such termination, neither Party shall have any obligation or liability whatsoever to the other Party or to any other party or person with respect to this LOI.
2. **OBLIGATIONS OF TDI-NE.** TDI-NE agrees that, provided the Parties have executed a subsequent definitive agreement, the NECPL has succeeded in securing contracts for transmission service with the MA Utilities as a result of the RFP, and the NECPL has commenced commercial operations, TDI-NE will contribute \$1 million per year for the term of the initial 15- 20 year contract with the MA Utilities. Among other things, the definitive agreement will provide for:
 - a. The timing and method of making payments into a trust fund to be created on behalf of COMMUNITY ACTION,
 - b. The use of trust fund resources to advance COMMUNITY ACTION's mission related to providing energy-related assistance to "low income ratepayers" within the Commonwealth of Massachusetts and for no other purpose, and
 - c. Other appropriate terms and conditions, including matters of trust fund governance and management.
3. **OBLIGATIONS OF COMMUNITY ACTION.** COMMUNITY ACTION agrees that, upon execution of this LOI, it will actively support TDI-NE in its efforts to respond to the RFP. Such support shall include, but not be limited to, providing a letter of support and this LOI that TDI-NE would include as a part of its RFP bid, supplying detailed information to TDI-NE regarding how trust fund resources could be spent to advanced Community Action's mission in accordance with Section 2.b., above,, and accommodating other reasonable requests made by TDI-NE. While this LOI is in effect,

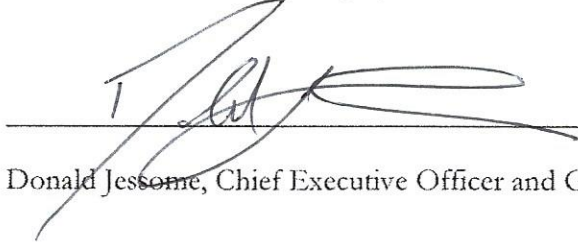
COMMUNITY ACTION agrees to not enter a similar arrangement with any other entity submitting a proposal under this RFP.

4. **TERM.** The term of this LOI shall commence on the date upon which it has been fully executed by both Parties and shall expire on the earlier of: (i) the NECPL not being awarded a contract at the conclusion of the RFP process; or (ii) the LOI being superseded by an executed definitive agreement; or (iii) December 31, 2018, unless the mutually parties agree in writing to extend the LOI.
5. **CONFIDENTIALITY.** The Parties agree that sharing ideas, information, and economic data will be necessary in order to carry out the purpose of this LOI (as described in Section 1, the "Purpose") and that this sharing must be subject to the terms imposed by the COMMUNITY ACTION/TDI-NE Confidentiality Agreement executed on May 17, 2017 ("CA"). Therefore, the Parties agree that any sharing of material that qualifies as "Confidential" pursuant to the CA ("CA Information") shall be governed by the terms of the CA and will be used by the non-disclosing party only to the extent necessary to carry out the Purpose, such necessity to be determined by the disclosing party in its sole discretion, and for no other ends, commercial or otherwise. Any usage not authorized hereunder will constitute a breach of this LOI and the CA, with respect to which the aggrieved party may resort to any and all remedies for breach set forth in the CA. The existence and terms of this LOI will be kept strictly confidential by the Parties unless and until the earlier of: (i) the submission of the RFP response and (ii) the unanimous agreement of the Parties to make the same public. The confidentiality provisions set forth herein shall survive the termination or expiration of this LOI.
6. **COSTS.** Each Party shall bear its own costs and expenses in connection this LOI, including, without limitation, the costs and expenses of its legal and other advisors and internal costs and expenses.
7. **ASSIGNMENT.** Neither party may assign this LOI without the prior written consent of the other party.
8. **GOVERNING LAW AND FORUM.** This LOI shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof, and the Parties irrevocably consent to the exclusive jurisdiction of the courts of the State of New York.
9. **LIMITATION OF LIABILITY.** Under no circumstances shall a Party or any of its respective officers, directors, members, partners, shareholders, employees, agents or affiliates be liable for consequential, incidental or indirect damages, lost profits or opportunities, increased cost of capital, loss of income, revenue or use, or other business interruption damages, whether by statute or operation of law, in tort or contract or otherwise, under or as

a result of any breach or any performance or non-performance of any obligations under this LOI.

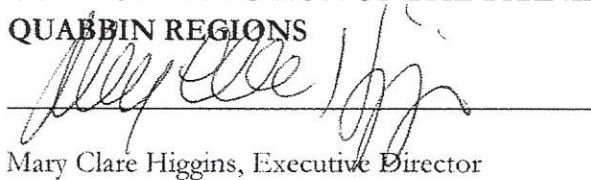
IN WITNESS WHEREOF, the Parties have executed this Agreement by the undersigned duly authorized representatives as of the date first written above.

CHAMPLAIN VT LLC d/b/a TDI-NE-NEW ENGLAND

A handwritten signature in black ink, appearing to read "Donald Jessome", is written over a horizontal line.

Donald Jessome, Chief Executive Officer and General Manager

**COMMUNITY ACTION OF THE FRANKLIN, HAMPSHIRE, AND NORTH
QUABBIN REGIONS**

A handwritten signature in black ink, appearing to read "Mary Clare Higgins", is written over a horizontal line.

Mary Clare Higgins, Executive Director



of the Franklin, Hampshire, and North Quabbin Regions

BUILDING ON THE STRENGTH
OF OUR COMMUNITY
SINCE 1965

Activity Proposal to TDI New England

June 1, 2017

COMMUNITY SERVICES & ASSET DEVELOPMENT

Center for Self-Reliance Food Pantries
Community Collaborations
Community Resources & Advocacy
Free Tax Assistance
Franklin County Resource Network
Homelessness Prevention
The Mediation & Training Collaborative

ENERGY PROGRAMS

Electric Efficiency Audits
Fuel Assistance
Heating System Repair
Weatherization

FAMILY SUPPORT PROGRAMS

Family Center Programs
Healthy Families
The Parent-Child Home Program
Family Resource Center

HARMON PERSONNEL

Alternative Staffing Services

PARENT-CHILD DEVELOPMENT CENTER

Child Care
Head Start
Early Head Start

WOMEN, INFANTS, AND CHILDREN (WIC)

Breastfeeding Support
Nutrition Screening and Education
Supplemental Food

YOUTH PROGRAMS

Leadership Development
Workforce Development
Diversity Support
Communities That Care Coalition
Family Resource Center

Community Action of the Franklin, Hampshire, and North Quabbin Regions, Inc. (*Community Action*) is the federally designated anti-poverty program for Franklin and Hampshire counties. Our varied portfolio of services includes energy efficiency and energy conservation installations designed to help low-income ratepayers in all four counties in Western Massachusetts reduce their energy costs.

Berkshire, Franklin, Hampden, and Hampshire Counties cover 2,771 square miles (26% of the state land area) and have 827,500 residents (12% of the state's population) living in communities as varied as the City of Springfield (pop. 154,000), Greenfield (the largest town in Franklin County at 17,500), and extremely rural hill towns such as Sheffield (pop. 3200) and Middlefield (pop. 500). The housing stock in Massachusetts – and especially in this western region -- is some of the oldest in the country. The median age of a single family home is well over 50 years. The low-income households we serve encounter significant challenges trying to manage heating and energy costs, especially those who live in these older, inefficient homes.

Community Action has 40 years of experience managing energy conservation programs serving low-income households and has strong, well-established systems for managing and moving large amounts of funding for the benefit of low-income ratepayers. In FY2016 we expended over \$ 4.8 million of funds from the U.S. Department of Energy, U.S. Department of Health and Human Services, Northeast Utilities, Eversource, Columbia Gas, and Berkshire Gas on energy conservation and efficiency measures for over 4,000 households in 2016. We have also been a part of pilot programs with the Massachusetts Department of Energy Resources and the Massachusetts Clean Energy Center. Funds go to local HVAC vendors, weatherization contractors, electricians, and home repair specialists, and *Community Action* provides quality assurance and project management.

The funding for energy efficiency in Massachusetts is robust. However, the demand for standard efficiency measures exceeds what the funding can provide. In addition, there are measures such as heat pumps and high efficiency space and water heating technologies that are not part of the state plan but would place low-income ratepayers in a more sustainable position than many standard measures. In addition, funding restrictions create barriers to conducting energy efficiency improvements in certain situations, e.g. we are not allowed to work in a building where there is knob and tube wiring or concern about asbestos in insulation.



Partner Agency

Community Action is a non-profit organization that helps the entire community by promoting economic justice and improving the quality of life for people with lower income.

Franklin County main office: 393 Main Street, Greenfield, Massachusetts 01301

Phone: 413.774.2318 ♦ Fax: 413.773.3834

Hampshire County main office: 56 Vernon Street, Northampton, Massachusetts 01060

Phone: 413.582.4230 ♦ Fax: 413.582.4248

North Quabbin main office: 167 South Main Street, Orange, Massachusetts 01364

Phone: 978.544.5423 ♦ Fax: 978.544.2805

info@communityaction.us ♦ www.communityaction.us ♦ www.facebook.com/communityaction.us

Based on current regulations, current levels of other funding, and historical demand, *Community Action* has the following priorities for use of funds from TDI:

- Mini Splits
 - Single head systems (\$4,000 average)
 - Whole house systems (\$15,000 average)
- Heat pump hot water heaters (\$2,500 average)
- High efficiency boilers/furnaces (\$5,000 average)
- Full-scale weatherization (\$5,000 average)
- Removal of barriers to standard efficiency measures (wide range of costs averaging approximately \$10,000 for each building)
 - Wiring repairs
 - Structural repairs
 - Moisture mitigation
 - Other energy-related home repairs

Based on the proposed funding of \$1 million a year for the life of TDI's contract with the Commonwealth, We anticipate working with 100 - 125 households per year. The expected mix would be to install mini-splits in 75 to 100 homes per year, and a mix of other measures to approximately another 25 homes. The need and distribution of measures will be revisited across the terms of the agreement. We propose to use our current eligibility guidelines for work accomplished through TDI funding. This will be based on eligibility criteria for Fuel Assistance benefits, currently 60% of the state median income. In this western part of the state, there are over 40,000 eligible households.

We look forward to partnering with TDI-New England to ease the energy burden for low-income households in Western Massachusetts, provide for safer and more affordable housing, and increase employment by creating and maintaining sustainable jobs that will have a positive overall economic effect on the region.



Clare Higgins, Executive Director



Peter Wingate, Director, Energy Programs