

CONTRACT NO. 473-23-00008a
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
DELOITTE & TOUCHE LLP

The parties to this contract are the Public Utility Commission of Texas, an agency of the State of Texas, located at 1701 N. Congress Ave., Austin, Texas 78701 and Deloitte & Touche LLP, a limited liability partnership, with offices at 500 W. 2nd Street, Suite 1600, Austin, Texas 78701.

Article 1. DEFINITIONS

When used in this contract, the following terms have the following meanings:

1.1 “**PUCT**” means the Public Utility Commission of Texas, an agency of the state of Texas, acting through its Executive Director and the agency’s designated contract administrator.

1.2 “**Commission**” means the governing body of the PUCT.

1.3 “**Contractor**” includes Deloitte & Touche LLP, and any successors, heirs, and assigns.

1.4 “**Services**” means any and all services performed and any and all goods and products delivered by Contractor as specified in the Statement of Work.

1.5 “**Statement of Work**” means the description of goods and services to be provided under this contract found in Exhibit 1 to this contract.

1.6 “**Parties**” means PUCT and Contractor. “**Party**” means PUCT or Contractor.

1.7 “**Backup Power Package Advisory Committee**” means the advisory committee described in PURA § 34.0203, and established by commission rule in 16 TAC § 25.515.

1.8 “**ERCOT Power Region**” means the ERCOT region, as defined in 16 TAC § 25.5 (49).

1.9 “**Interconnection**” means the process a generator follows to connect to a grid, as referenced in PURA § 35.005 (d), (e), and (g).

1.10 “**SB 2627 Programs**” means all funding mechanisms, including all grant, loan, and completion bonus grant programs, to support the construction, maintenance, modernization, and operation of electric generating facilities, created by Senate Bill 2627 (88th Legislature, R.S.).

1.11 “**Texas Energy Fund**” means the fund in the Texas state treasury outside the general revenue fund to be administered and used by the commission for the purposes authorized in Chapter 34 of the Public Utility Regulatory Act (PURA).

1.12 “**Texas Treasury Safekeeping Trust Company**” means the trust company established in Texas Government Code § 404.102.

1.13 “**Deliverable**” (and collectively, “**Deliverables**”) means each item with a heading marked as “DELIVERABLE” in Exhibit 1, Statement of Work created by Contractor for delivery to PUCT as a result of the Services, subject to the Approval of Deliverables section set forth herein.

1.14 “**Work Product**” means each item created or prepared by Contractor for delivery to PUCT with a heading marked as “WORK PRODUCT” in Exhibit 1, Statement of Work, including reports.

Article 2. COMPENSATION

2.1 Compensation. Contractor agrees to provide all Services (including labor, expenses, and any other services) described in the Statement of Work, in exchange for compensation as follows:

- Total compensation for the initial four-year term of the contract will not exceed \$72,414,000 unless amended pursuant to Article 7 this Contract.
- Compensation will be paid monthly at the rate defined in the table below from the sum of the following components: Base Price for Startup System Development and Program Monitoring; Loan Application Evaluation and Due Diligence Price; and Grant Administration Price. Notwithstanding the foregoing, Contractor may submit an invoice for Services performed during a partial period of the month at a pro-rata rate.

	Startup	Base	Loans	Grants	YR Total	Monthly
Y1	\$ 8,462,176.06	\$ 4,020,955.98	\$ 8,762,000.00	\$ 776,900.00	\$ 22,022,032.05	\$ 1,835,169.34
Y2	\$ -	\$ 4,020,955.98	\$ 6,571,500.00	\$ 3,107,600.00	\$ 13,700,055.98	\$ 1,141,671.33
Y3	\$ -	\$ 4,020,955.98	\$ 4,381,000.00	\$ 2,330,700.00	\$ 10,732,655.98	\$ 894,388.00
Y4	\$ -	\$ 4,020,955.98	\$ 2,190,500.00	\$ 1,553,800.00	\$ 7,765,255.98	\$ 647,104.67

- The total Base Price for Startup System Development and Program Monitoring will be \$24,546,000.
- The Loan Application Evaluation and Due Diligence Price will be paid according to the following tiers. If there is a conflict in determining the tier between the number of loan applications submitted and the number of loans that enter Due Diligence, the tier will be determined by the number of loans that enter Due Diligence.
 - Tier 1: If the number of loan applications received during the course of the contract are fewer than 30, and the number of loans that enter Due Diligence is equal to or less than 10, the total Loan Application Evaluation and Due Diligence Price will be \$21,905,000.
 - Tier 2: If the number of loan applications received during the course of the contract are between 30 and 39, or the number of loans that enter Due Diligence are equal to or fewer than 15, but greater than 10, the total Loan Application Evaluation and Due Diligence Price will be \$29,664,000.

- Tier 3: If the number of loan applications received during the course of the contract are between 40 and 50, or the number of loans that enter Due Diligence are equal to or fewer than 20, but greater than 15, the total Loan Application Evaluation and Due Diligence Price will be \$37,420,000.
 - For the purposes of calculating compensation owed, Backup Power Package Loans will be counted as Grants provided that the debt quantum is less than \$250,000 and the borrower is not a special purpose vehicle for such Backup Power Package Loans.
- The Grant Administration Price will be paid according to the following tiers. If there is a conflict in determining the tier between the number of grant applications submitted and the number of grants awarded, the tier will be determined by the number of grants applications submitted.
 - Tier 1: If the number of grant applications submitted during the course of the contract are equal to or fewer than 2,000, and the number of grants Awarded are equal to or fewer than 1,700 the total Grant Administration Price will be \$7,769,000.
 - Tier 2: If the number of grant applications submitted during the course of the contract are between 2,001 and 3,000, or the number of grants awarded are equal to or fewer than 2,550, but greater than 1,700 the total Grant Administration Price will be \$9,108,000.
 - Tier 3: If the number of grant applications submitted during the course of the contract are between 3,001 and 4,000, or the number of grants awarded are equal to or fewer than 3,400, but greater than 2,550, the total Grant Administration Price will be \$10,448,000.
- Before loan and grant applications are received, compensation will be paid each month at a rate assuming the lowest tier of both the Loan Application Evaluation and Due Diligence Price the loan and the Grant Administration Price (i.e., \$21,905,000, and \$7,769,000, respectively).
- As loans and grants are received, if the number of loans or grants received increases into a higher tier of compensation, the Contractor must provide a re-calculation of the total contract price for the initial four years of the contract based upon the current total loan and grant applications received. The PUCT will instruct the Trust Company to pay future monthly payments at an agreed upon rate based upon the new total compensation tier and the payment schedule table included in this Section. Additionally, the re-calculation must include the payment amount compensating the Contractor for the difference in the higher monthly rate and the rate previously paid during the months prior to the receipt of the number of loan or grant applications that necessitated the higher tier of payment, which the PUCT will instruct the Trust Company to pay.

Contractor understands that the PUCT is not responsible for payment of any costs or expenses exceeding the amounts described in this Article 2.1. In the event of any delay that is beyond the reasonable control, including failure by the PUCT to meet its obligations under this Contract or a Statement of Work, or failure of an assumption listed in the Statement of Work that creates a delay or adversely impacts Contractor's cost to perform the Services, Contractor will be entitled to an equitable adjustment to scope, cost and schedule via an amendment.

If Contractor believes that changes in the scope of Services to be performed will require Contractor to increase its fee, it must request the PUCT's written authorization to increase its fee. Contractor must document the changes in the scope of Services and why they will require additional effort. The PUCT must approve the increase in fee by written amendment to this contract before Contractor performs any Services or may invoice the increased fee. If such amendment is not mutually agreed to within a reasonable period (e.g., 30 days) of Contractor's notification to the PUCT of such impact, Contractor may suspend the Services upon written notice to the PUCT.

2.2 Payment Process. Contractor must submit a monthly invoice to the PUCT contract administrator no later than the final day of the month after the month that the Services have been performed. The parties agree that a status report must accompany the invoice and contain a brief description of work performed, including a description of any applicable deadlines for Deliverables during the period invoiced, and the date those Deliverables were provided to the PUCT. No payment will be made for administrative overhead, overtime, or other charges not directly attributable to the performance of this contract.

On the statement or invoice, Contractor must include a statement that the invoice accurately describes the Services performed and the Services were performed in compliance with the contract. The statement or invoice must include the vendor identification number issued by the Texas Comptroller or Contractor's federal taxpayer identification number, a description of the Services provided, and the name and division of the PUCT contract administrator.

Contractor must submit the invoice to the PUCT as follows:

By email to: Payables@puc.texas.gov

Or by mail to: Accounts Payable
Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711-3326

The PUCT will review the invoice and any other relevant documentation to ensure the Services were performed in compliance with the contract. If Services were not performed in compliance with the contract, PUCT will notify contractor, in writing, in accordance with the Approval of Deliverables section set forth herein. Upon receipt of a correct invoice, the PUCT will instruct the Trust Company to pay the invoice.

2.3 Release of Claims. Contractor's acceptance of payment releases the PUCT of all claims for compensation owed in connection with this contract.

2.4 Refund. Contractor will promptly refund or credit within thirty calendar days any funds the parties mutually agree were erroneously paid which are not expressly authorized under the contract.

2.5 Payments Made to Subcontractors. Contractor must pay any subcontractor hereunder the appropriate share of payments received not later than the 10th day after the date Contractor receives the payment. The subcontractor's payment is overdue on the 11th day after the date Contractor receives the payment. The PUCT must approve Contractor's use of any subcontractor before Contractor engages the subcontractor (see Section 5.1 of this contract).

2.6 Records. Contractor and its subcontractors, if any, must maintain payment and billing records and books of account relating to Services provided under this contract. Contractor must, for a period of seven (7) years following the expiration or termination of this contract, maintain its records (electronic and paper) of the work performed under this contract. Contractor must make all such records that support the payment for performance of Services and payment available to PUCT, its designees, or the State Auditor during normal business hours with reasonable notice, upon the request of the PUCT contract administrator.

2.7 Sole Compensation. Payments under this Article are Contractor's sole compensation under this contract. Contractor must not incur expenses not contemplated under the Statement of Work, with the expectation that the PUCT or any other agency of the state of Texas will pay the expense.

Article 3. CONTRACT ADMINISTRATION

3.1 PUCT Contract Administration. The PUCT designates Tracie Tolle to serve as its primary point of contact and contract administrator throughout the term of this contract. Contractor acknowledges that the PUCT contract administrator does not have any authority to amend, terminate, or extend this contract on behalf of the PUCT, except as expressly provided herein. Contractor further acknowledges that such authority is exclusively held by the Commission exercising its authority through a vote in an open meeting, or the Executive Director of the PUCT as the Commission's authorized designee.

3.2 Contractor Contract Administration. Contractor designates its primary contract administrator as Michael Wyatt and Alfredo Zarate as a contract administrator delegate if primary contract administrator is not available.

3.3 Reporting. Without intending to expand upon the Services required to be performed under the SOW, Contractor must report directly to the PUCT contract administrator and must perform all activities in accordance with the reasonable instructions, directions, and requests conveyed to Contractor by the PUCT contract administrator, consistent with the Statement of Work.

3.4 Cooperation. The Parties' contract administrators must handle all communications between them in a timely and cooperative manner. The Parties must timely notify each other by email or other written communication of any change in designee or contact information.

3.5 Inquiries and Prompt Referral. Contractor understands that the PUCT does not endorse any vendor, commodity, or service. Contractor, its employees, representatives, other agents, or

subcontractors may not issue any media release, advertisement, publication, or public pronouncement which pertains to this contract or the Services or project to which this contract relates or which mentions the PUCT without the prior approval of the PUCT. Contractor will promptly refer all inquiries regarding this contract received from state legislators, other public officials, the media, or anyone else not a Party to this contract to the PUCT contract administrator.

Article 4. REPORTS AND RECORDS

4.1 Written Reports. Contractor will provide written reports to the PUCT in the form and with the frequency specified in the Statement of Work, or as otherwise agreed in writing between the Parties.

4.2 Distribution of Consultant Reports. All Services and Deliverables shall be solely for the PUCT's benefit and are not intended to be relied upon by any person or entity other than the PUCT, the TEF, or the Trust. Contractor agrees the PUCT has the right to distribute any consultant report provided as a Deliverable pursuant to this contract, or to allow another Texas state agency or the Texas legislature to distribute it. The PUCT will also have the right to post any consultant report associated with this contract to the PUCT's website or to the website of a standing committee of the legislature. This provision does not waive any right to confidentiality that the PUCT may assert for the report or any portion thereof.

Article 5. SUBCONTRACTING PARTIES

5.1 Use of Subcontractors. The Parties acknowledge and agree that, at the time of execution of this contract, Contractor intends to perform the Services required under this Contract using the following subcontractors: Bocci Engineering, EEPlus, Kiewit, Stanley Consultants, Electric Power Engineers, Olsson, Mario DePilis and APTIM. Contractor will notify the PUCT contract administrator of any other proposed subcontract and will work with the PUCT HUB Coordinator to procure such other subcontractor and to submit appropriate subcontractor selection documentation for approval prior to engaging any other subcontractor, such approval not to be unreasonably withheld. Any subcontract not contemplated at the initiation of this contract and any subsequent substitution of a subcontractor must be approved by an amendment according to the terms of Article 7.

5.2 Sole Responsibility. Contractor is solely responsible for the quality and timeliness of the work produced by all subcontractors that Contractor may engage to provide Services hereunder and for the timely payment for all work produced by all subcontractors that the PUCT accepts and pays for in accordance with the terms of this contract.

5.3 Prime Vendor Contract. The Parties expressly agree that this Contract is intended to constitute a prime vendor contract, with Contractor serving as the prime vendor for delivery of the Services made the subject hereof. Contractor acknowledges and agrees that it is fully liable and responsible for timely, complete delivery of the Services described in this Contract, notwithstanding the engagement of any subcontractor to perform an obligation under this Contract.

Article 6. TERM AND TERMINATION

6.1 Term. The term of this Contract will begin on the date signed by the last signatory to sign and will continue in effect for four (4) years unless extended under Section 6.2 or sooner terminated under Sections 6.3 or 6.4 of this Contract.

6.2 Extension Options. The PUCT and Contractor may elect to extend this contract for up to two (2) two-year extensions. Each extension option must be executed in writing and agreed to by both parties.

6.3 Termination for Cause by the PUCT. If Contractor fails to provide the services contracted for according to the provisions of the contract or fails to comply with any terms or conditions of the Contract, the PUCT may serve upon Contractor written notice requiring Contractor to cure such default. Unless within sixty (60) calendar days after receipt of said notice by Contractor, said default is corrected or arrangements are made for Contractor to comply with the requirements of the Contract, as applicable, the PUCT may terminate this contract for default and will have all rights and remedies provided by law and under this contract. If the PUCT terminates Contractor for a violation of Section 18.12 of this Contract, the PUCT need not provide any notice or opportunity for curing the default.

6.4 Termination for the Convenience of the PUCT. The PUCT may, upon sixty (60) calendar days written notice to Contractor, terminate this contract whenever the interests of the PUCT so require. The PUCT will only reimburse two categories of fees incurred after Contractor's receipt of Notice to Terminate: 1) those fees that are unavoidable and already scheduled prior to receipt of notice to terminate to be incurred by Contractor between receipt of notice to terminate for convenience and the effective time of termination, and 2) fees approved in writing, prior to Contractor incurring those fees, for the purpose of wrapping up the contract. The PUCT will not be liable for any additional damages or loss to Contractor as a result of termination for convenience.

6.5 Transfer of Duties. In the event of termination, Contractor will provide reasonable cooperation to transfer its duties under the Contract to another entity without disruption to the provision of Services.

6.6 Remedies for Breach. All remedies available to the PUCT for breach or anticipatory breach of this contract by Contractor are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy will not be deemed an election of such remedy to the exclusion of other remedies. Subject to the Limitation of Damages as set forth in Section 29 herein, actual damages and injunctive relief may be sought, and liquidated damages may also be invoked either separately or combined with any other remedy in accordance with applicable law.

6.7 Survival. In the event that this Contract expires or is terminated pursuant to its terms, the rights and obligations of the Parties under it will end; provided that the provisions of Sections 2.3 through 2.6, 3.5, 4.2, 6.5, 6.6, 6.7, 7.5, 9.2, 9.4 through 9.6, 17.2 and 19.1 through 19.5, 19.9 and Articles 1, 10, 11, 12, 14, 15, 16, 20, 21, 23, 28, and 29 will survive in their entirety.

Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS

7.1 Material Change Requests. The PUCT may propose changes to the Statement of Work. Upon receipt of a written request from the PUCT for a change to the Statement of Work, Contractor must, within a reasonable time thereafter, submit to the PUCT a detailed written estimate of any proposed price or schedule adjustment to this contract. No changes to the Statement of Work will occur without the Parties' written consent as provided in accordance with the terms stated in this contract.

7.2 Changes in Law, Rules, or Rulings. Changes in federal or state legislation, rules and regulations or rulings by the PUCT after the effective date of this contract may require modification of the terms of this contract, including an increase or decrease in Contractor's duties or compensation. In the event of changes to statutes, rules, or regulations affecting the terms of this contract, the PUCT and Contractor must negotiate the terms of a contract amendment in good faith and incorporate the modification into this Contract by written amendment.

7.3 No Assignment of Duties. This contract will be binding upon and inure to the benefit of the permitted successors and assigns of any Party (including by merger of Contractor or otherwise by operation of law); provided, however, that the parties may not otherwise, without the prior written consent of the other party, assign or transfer this contract or any obligation incurred under this contract. Any attempt by Contractor or the PUCT to assign or transfer this contract or any obligation incurred under this contract, in contravention of this article, may be voidable at the other party's sole discretion.

7.4 Amendments and Modifications. This contract may not be amended or modified in any manner except by written instrument executed by authorized representatives of the Parties in accordance with the terms of this contract.

7.5 Binding on Successors. The terms of this contract will be binding on any successor organization of any of the Parties.

Article 8. REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Warranty of Performance. Contractor represents, warrants, and covenants that it will perform the Services outlined in the Statement of Work, in a professional and workmanlike manner, consistent with professional standards of practice in the professional industry.

8.2 Warranty of Services. If Services provided under this contract require a professional license, then Contractor represents, warrants, and covenants that the activity will be performed only by duly licensed personnel.

8.3 Limitation on Warranties. CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Article 9. RISK OF LOSS AND PROPERTY RIGHTS

9.1 Risk of Loss. The risk of loss for all items to be furnished hereunder will remain with Contractor until the items are delivered to and accepted by the PUCT, at which time the risk of loss will pass to the PUCT.

9.2 Ownership. Except for materials where any intellectual property rights are vested in a third party, such as software or hardware, in which case such rights remain the property of the third party, or any Contractor IP, upon full payment to Contractor, and subject to the terms herein, all Deliverables, will be the PUCT's property exclusively and will be given to the PUCT either at the PUCT's request during the term of the Contract or upon termination or expiration of the contract. Contractor grants to the PUCT the right to use, for the PUCT's internal business purposes, any Contractor IP included in the Deliverables in connection with its use of the Deliverables. Except for such license grant, Contractor or its licensors retain all rights in and to all Contractor IP. Notwithstanding the foregoing, Deliverables, as set forth herein, are the PUCT's exclusive property regardless of whether delivery to the PUCT is effectuated during or upon termination or expiration of this contract.

9.3 Licensed Software. With PUCT's advanced written consent, Contractor may obtain software licenses on behalf of the PUCT for software that is used by Contractor solely for the purpose of providing Services under this contract. Contractor must provide the PUCT with a copy of any software license obtained by Contractor for the benefit of PUCT for the purpose of providing Services under this contract.

9.4 Prior Works. Except as provided herein, all materials, conceptions, tools or products created prior to or independently of the performance of the services by Contractor or its subcontractors, plus any modifications or enhancements thereto and derivative works based thereon ("Contractor IP") remain the property of Contractor and nothing contained in this contract will be construed to require Contractor to transfer ownership of such materials to the PUCT.

9.5 Trademarks. The Parties agree that no rights to any trademark or service mark belonging to another Party or to any non-Party are granted to any other Party by this contract, unless by separate written instrument. The PUCT acknowledges and agrees that use of any trademark associated with any software provided by Contractor under this contract does not give the PUCT any rights of ownership in the trademark or the software.

9.6 Program Information. Program information, data, and details relating to Contractor's Services under this contract must be maintained separately from Contractor's other activities. Contractor must undertake all reasonable care and precaution in the handling and storing of this information.

9.7 Provision to be Inserted in Subcontracts. Contractor must insert a provision containing Sections 9.2 and 9.6 of this contract in all subcontracts hereunder except altered as necessary for proper identification of the contracting Parties and the PUCT under this contract.

9.8 License Back. Subject to review and written agreement, the PUCT shall grant to Contractor a worldwide, nonexclusive, royalty-free, perpetual, irrevocable (with right to sublicense and the right of sublicensees to sublicense further) license to the Deliverables and related intellectual property rights, including the right to create derivative works based on and otherwise modify, make, reproduce, sell or otherwise distribute, perform or display the Deliverables and other works or subject matter based on or using such intellectual property rights, with the exception of the PUCT's proprietary data.

Article 10. PUBLIC INFORMATION

10.1 Texas Public Information Act. (Texas Government Code Chapter 552). The Parties acknowledge that notwithstanding any other provisions of this contract, the Texas Public Information Act ("PIA") governs the treatment of all information held by or under the control of the PUCT. The PUCT will notify Contractor of requests for Contractor's information as required under the PIA.

10.2 Agreement Not Confidential. The Parties acknowledge that not all terms of this contract may be confidential under the PIA, regardless of whether those terms are marked "Proprietary," "Trade Secret," or "Confidential." Contractor further acknowledges that in the event of a dispute over the release of a proposal or part of a proposal the PUCT is bound by the decision made by the Office of the Attorney General of Texas.

10.3 Contractor's Duty to Provide Public Information. Pursuant to Texas Government Code Chapter 552, Texas Government Code Contractor is required, at no additional cost to the state, to make available in a format that is accessible by the public or the Office of the Attorney General, Open Records Division, any information created or exchanged with the state pursuant to this contract. For the purpose of Section 10.3 of this contract, paper documents, Adobe Portable Document Format files (.pdf), Microsoft Excel spreadsheets (.xls), Microsoft Word documents (.docx), and Hypertext Markup Language (.html) files will be considered "accessible by the public," unless another format is specified by the PUCT, at the PUCT's sole discretion. If information created or exchanged with the state pursuant to this contract is excepted from disclosure under the PIA, Contractor will not be required to make the information available to the public but may be required to facilitate the PUCT's provision of the information to the Texas Attorney General for a decision on the information's confidentiality. The PUCT has no duty or responsibility to argue a defense of confidentiality to Contractor's information or data; it will be Contractor's sole responsibility to do so. Additionally, the requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract and the Contractor agrees that the contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

Article 11. CONFLICTS OF INTEREST AND EMPLOYMENT RESTRICTION

11.1 No Conflicting Relationships. Contractor certifies to the PUCT that to the best of its knowledge no existing or contemplated relationship exists between Contractor and the PUCT that interferes with fair competition or is a conflict of interest. Neither Contractor nor its subcontractors will apply for a loan or grant under any of the SB 2627 programs nor assist a client to apply for a loan or grant under any of the SB 2627 programs. Contractor must name check each party to each loan or grant application and notify the PUCT contract administrator of any of the following connections:

- Applicants that are current or recent (within the past year) Deloitte clients; and
- Applicants with personal connections to any member of the team working on this Contract, including subcontractor team members. A personal connection is defined to be a financial interest, personal activity, or direct family relationship with could impair the

team member's ability to act impartially and objectively when providing services under this contract.

If the name check identifies any of those connections, Contractor must take reasonable steps to mitigate any potential conflict identified in consultation with the PUCT contract administrator.

11.2 Prohibition on Transactions with Parties Adverse to the PUCT. Contractor agrees that the team member performing Services pursuant to this Contract will not, during their period of performance pursuant to this Contract, provide contractual services pursuant to any agreement, oral or written, to provide services to a person or organization that is provided funding by the PUCT through TEF. Additionally, Contractor must implement an ethical wall separating the team personnel from other Deloitte employees providing services to any person or organization that is regulated or funded by the PUCT or that has interests that are directly or indirectly adverse to those of the PUCT. The PUCT may waive this provision in writing if, in the PUCT's sole judgment, such activities of the Contractor will not be adverse to the interests of the PUCT.

11.3 Notice of Conflict. Contractor agrees to promptly notify the PUCT of any circumstance that may create a conflict of interest that would render Contractor in violation of applicable law or professional standards, related to the Contractor, whether arising prior to or during the term of the contract. Contractor agrees to use its diligent best efforts to resolve any such conflict of interest to the satisfaction of the PUCT. If Contractor fails to do so, it may be grounds for termination of this contract, pursuant to the termination provisions of this contract.

11.4 Prohibited Employment. Contractor agrees that it will not hire any person to perform services hereunder whose employment with Contractor would violate any of the employment restrictions in Texas Government Code Chapter 572 or Texas Utilities Code Chapter 12.

Article 12. INDEMNIFICATION

Contractor must indemnify, defend and hold harmless the PUCT, the State of Texas, and their officers, agents, employees, assignees, and designees ("Indemnified Parties") from any and all liabilities, claims, suits, assessments, penalties, losses, damages, demands or causes of action, and all related costs, attorney fees and expenses of whatever kind or nature asserted by a third party arising solely out of, bodily injury, death, or damage to real or tangible personal property, to the extent directly and proximately caused by the negligent or intentional acts or omissions of Contractor, its agents, employees and subcontractors, committed in the performance of services pursuant to this contract.

Contractor will have the obligation to undertake the defense of any such indemnity claim, process, or legal proceeding at Contractor's expense. Any defense must be coordinated by Contractor with the Office of the Attorney General when Texas State Agencies are named defendants in any lawsuit. Contractor may not agree to any settlement without first obtaining concurrence from the Office of the Attorney General when Texas State Agencies are named defendants in any lawsuit. Contractor and the PUCT agree to furnish timely written notice to each other of any claim.

Contractor agrees to indemnify, defend, and hold harmless the PUCT and its personnel from any claim, suit, or proceeding for infringement or misappropriation of any

intellectual property right, by a third party that the deliverables or any part thereof infringes or misappropriates any patent, trademark, copyright, or trade secret, or if the licensing or use of any of the deliverables or any part thereof is enjoined, Contractor must, at its expense do one of the following things: (i) procure for PUCT the right under such patent, trademark, copyright or trade secret to fully use the deliverables or the affected part thereof; (ii) replace the deliverable or affected part thereof with another non-infringing deliverable; or (iii) suitably modify the deliverable or affected part thereof to make it non-infringing. Notwithstanding the foregoing, Contractor shall not have an obligation to indemnify the PUCT if damages result from (i) the indemnified party's modification of the Deliverable or use thereof in a manner not contemplated by the Statement of Work, (ii) the failure of the indemnified party to use any corrections or modifications made available by Contractor, (iii) information, materials, instructions or specifications provided by or on behalf of the indemnified party, or (iv) the use of the Deliverable in combination with any product or data not provided by Contractor whether or not with Contractor's consent.

Article 13. INSURANCE

13.1 Contractor Responsibility. Contractor agrees to comply with all state and federal laws applicable to the liability and payment of Contractor and Contractor's employees, including laws regarding wages, taxes, insurances, and workers' compensation. Neither the PUCT nor the State of Texas will be liable to the Contractor, its employees, agents, or others for the provision of unemployment insurance or workers' compensation or any benefit available to a state employee.

13.2 Minimum Insurance. Contractor must, at its sole cost and expense, secure and maintain as a minimum, from the effective date of this contract and thereafter during the term of this contract and any renewals or extensions thereof, for its own protection and the protection of the PUCT and the State of Texas:

- a) commercial liability insurance, covering, at a minimum, the following categories of liability within the following limits: (i) bodily injury and property damage - \$1,000,000 limit per occurrence, \$2,000,000 aggregate, (ii) medical expense - \$5,000 limit per person, (iii) personal injury and advertising liability - \$1,000,000 limit, (iv) products/completed operations – \$2,000,000 aggregate, (v) damage to premises rented - \$50,000 limit;
- b) automobile liability coverage for vehicles driven by Contractor's employees (\$500,000 per accident); and
- c) workers' compensation insurance in accordance with the statutory limits, as follows: (i) employer's liability - \$1,000,000 each incident, (ii) disease - \$1,000,000 each employee and \$1,000,000 policy limit.
- d) cyber incident coverage to include: privacy breach related legal expenses to review and determine responsibilities under privacy breach laws; expenses related to compliance with privacy law notification requirements; credit and identification monitoring for up to 12 months after a cyber incident; expenses related to forensic investigations to investigate

a system intrusion into the Contractor's computer system; and expenses to hire a public relations firm for public communications response.

The PUCT and the State of Texas must be named an additional insured on the commercial liability and automobile policies with respect to Contractor's acts or omissions in performance under this Contract.

Insurance coverage must be from companies licensed or legally authorized by the State of Texas to provide insurance with an "A-" rating from A.M. Best or the equivalent rating from another nationally recognized ratings provider and authorized to provide the corresponding coverage.

13.3 Certificates of Insurance. Contractor must furnish to the PUCT industry standard ACORD certificates of insurance and any applicable endorsements, signed by authorized representatives of the surety or insurers, of all such bonds and insurance and confirming the amounts of such coverage within ten (10) days of the effective date of this contract, and upon request thereafter. Contractor must provide the PUCT contract administrator with timely renewal certificates as the coverage renews. Failure to maintain such insurance coverage specified herein, or to provide such certificates or endorsements promptly, will constitute a material breach of this Contract. Contractor must provide thirty (30) days written notice of any notice for renewal or cancellation of insurance unless replacement coverage meeting the terms and conditions hereunder are obtained without lapse.

Article 14. DISPUTE RESOLUTION

In the event of any disputes, claims, or controversies relating to or in connection with this Contract or any Statement of Work ("Disputes"), either party thereto shall notify the other in writing. The parties shall, using diligent efforts, attempt to resolve the Dispute. The Parties agree to resolve disputes arising under this contract through the dispute resolution process provided for in Chapter 2260 of the Texas Government Code and Subchapter C of the PUCT Rules for Administrative Services.

Article 15. SOVEREIGN IMMUNITY

The State of Texas and the PUCT do not waive sovereign immunity by entering into this Contract and specifically retain immunity and all defenses available to them under the Constitution, the laws of the State of Texas, or the common law.

Article 16. GOVERNING LAW

Notwithstanding anything to the contrary in this contract, this Contract will be deemed entered into in the State of Texas and will be governed by, construed and interpreted in accordance with the laws of the State of Texas that apply to contracts executed in and performed entirely within the State of Texas, without reference to any rules of conflict of laws. The Parties consent to the exclusive jurisdiction of the State of Texas. The Parties hereby submit to the jurisdiction of the courts located in, and venue is hereby stipulated to, the state courts located in Travis County, Texas. Each Party stipulates that it is subject to the jurisdiction of the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this contract. Further, each Party hereby waives any right to assert any defense to jurisdiction

being held by the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this contract.

Article 17. COMPLIANCE WITH LAW

17.1 General. Contractor must comply with all federal, state, and local laws, executive orders, regulations, and rules applicable to contractor in its performance of the services. All laws and regulations required in agreements of this character are hereby incorporated by this reference.

17.2 Taxes. Contractor agrees to comply with any and all applicable state tax laws that may require any filing with or payment to the State of Texas as a result of any action taken as a result of this contract.

17.3 Workers' Compensation. Contractor agrees that it will be in compliance with applicable state workers' compensation laws throughout the term of this Contract and any renewals or extensions thereof.

17.4 Conflicts. Contractor agrees to abide by the requirements of and policy directions provided by the Texas statutes and the rules and regulations of the PUCT to the extent applicable to Contractor in its performance of the Services hereunder. Contractor agrees to inform and consult with the PUCT when further interpretations or directions are needed in order to fully implement the rules and regulations of the PUCT applicable to Contractor in its performance of the Services hereunder. If Contractor becomes aware of inconsistencies between this Contract and a Texas statute or PUCT rule applicable to Contractor in its performance of the Services hereunder, Contractor will so advise the PUCT promptly and will cooperate fully to revise applicable provisions of this contract as necessary.

17.5 Compliance with Deceptive Trade Practices Act. Contractor must comply with Texas Business and Commerce Code Chapter 17.

17.6 Compliance with Americans with Disabilities Act. Contractor must comply with the Americans with Disabilities Act, 42 U.S.C. Chapter 126.

17.7 Prohibited Use of Appropriated/Other Funds. Contractor must comply with Texas Government Code Sections 556.005 and 556.0055 related to prohibited uses of appropriated and other funds.

17.8 Certificate of Interested Parties Form. At the time Contractor submits a signed contract to the PUCT, Contractor must submit a "Certificate of Interested Parties" form to the PUCT and file the form with the Texas Ethics Commission. The form and instructions for filing the form can be found at: <https://www.ethics.state.tx.us/tec/1295-Info.htm>. Contractor must not perform any work under the contract, nor receive any compensation prior to filing the form with the Texas Ethics Commission.

Article 18. CONTRACTOR'S CERTIFICATION

By accepting the terms of this Contract, Contractor certifies that, to the extent applicable, it is in compliance with the following requirements and prohibitions. Contractor understands and agrees that a false certification may lead to termination of this contract for cause.

18.1 Prohibitions on Gifts. Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this contract.

18.2 Delinquent Obligations. Contractor is not currently delinquent in the payment of any franchise or sales tax owed to the State of Texas and is not delinquent in the payment of any child support obligations under applicable state law.

18.3 Terrorist Financing. The PUCT is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it, via cross referencing contractors/proposers/vendors with the Federal General Services Administration's System for Award Management (SAM), <https://www.sam.gov/>, which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.

<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

Contractor certifies that the Contractor and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at: <https://www.sam.gov/>

Contractor further certifies that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization as prohibited by Section 2252.152 of the Texas Government Code.

18.4 Antitrust. Neither Contractor nor anyone acting for Contractor has violated the antitrust laws of this state, codified in Section 15.01, et seq. of the Texas Business and Commerce Code or the Federal Antitrust Laws, nor has Contractor or anyone acting for Contractor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage.

18.5 Family Code. Contractor has no principal who is ineligible to receive funds under Texas Family Code Section 231.006 and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.

18.6 Prohibited Compensation. Contractor has not received compensation from the PUCT, or any agent, employee, or person acting on the PUCT's behalf for participation in the preparation of this contract.

18.7 Government Code. Under Texas Government Code Section 2155.004, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated or payment withheld if this certification is inaccurate.

18.8 Outstanding Obligations. Payments due under the contract will be applied towards any debt that is owed to the State of Texas, including but not limited to delinquent taxes and child support.

18.9 Contracting with Executive Head of State Agency. Contractor certifies this contract is in compliance with Texas Government Code Section 669.003 relating to contracting with the executive head of a State agency. If Texas Government Code Section 669.003 applies, bidder will provide the following information in order for the bid to be evaluated: Name of Former Executive; Name of State Agency; Date of Separation from State Agency; Position with Bidder; and Date of Employment with Bidder.

18.10 Buy Texas. Contractor will comply with Texas Government Code Section 2155.4441, pertaining to service contracts regarding the use of products produced in the state of Texas.

18.11 Hurricane Recovery. Under Texas Government Code Section 2155.006 and 2261.053, Contractor certifies that the individual or business entity named in this proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated, and payment withheld if this certification is inaccurate.

18.12 E-Verify. Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

1. All persons hired to perform duties within Texas, during the term of the Contract; and
2. All persons (including subcontractors) hired by the contractor to perform work pursuant to the Contract, within the United States of America.

The Contractor must provide, upon request of PUCT, an electronic or hardcopy screenshot of the confirmation or tentative non-confirmation screen containing the E-Verify case verification number for attachment to the Form I-9 for the three most recent hires that match the criteria above, by the Contractor, and Contractor's subcontractors, as proof that this provision is being followed.

If this certification is falsely made, the contract may be immediately terminated, at the discretion of the state and at no fault to the state, with no prior notification. The Contractor will also be responsible for the costs of any re-solicitation that the state must undertake to replace the terminated contract.

This term should not be construed to require Contractor to utilize E-Verify to determine the eligibility of existing employees, or otherwise use E-Verify in violation of the law.

18.13 Debarred Vendors List. Contractor certifies that it is not on the Debarred Vendors List located at <https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php>.

18.14 COVID-19 Vaccine Passport Prohibition. Contractor certifies that Contractor is not ineligible to receive this contract under Texas Health and Safety Code Section 161.0085.

18.15 Human Trafficking Prohibition. Contractor certifies that Contractor is not ineligible to receive this contract under Texas Government Code Section 2155.0061 and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

18.16 Does Not Boycott Israel. If Contractor is required to make a certification pursuant to Texas Government Code Section 2270.002, Contractor certifies that Contractor does not boycott Israel and will not boycott Israel during the term of the contract resulting from this solicitation. If Contractor does not make that certification, Contractor certifies that it provided a statement to the PUCT, prior to signing this contract, stating why the certification is not required.

18.17 Does Not Boycott Energy Companies. If Contractor is required to make a certification pursuant to Texas Government Code Section 2274.002, Contractor certifies that Contractor does not boycott energy companies and will not boycott energy companies during the term of the contract resulting from this solicitation. If Contractor does not make that certification, Contractor certifies that it provided a statement to the PUCT, prior to signing this contract, stating why the certification is not required.

18.18 Does Not Discriminate Against Firearm Entities. If Contractor is required to make a certification pursuant to Texas Government Code Section 2274.002, Contractor certifies that Contractor (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. If Contractor does not make that certification, Contractor must indicate so and state why the certification is not required.

18.19 Data Management and Security Controls. In accordance with Texas Government Code Section 2054.138, Contractor certifies that it will comply with the security controls required under this contract as set forth in the Statement of Work and will maintain records and make a statement available to the PUCT as evidence of Contractor's compliance with the required controls.

Article 19. GENERAL PROVISIONS

19.1 Relationship of Parties. Contractor is and will remain at all times an independent contractor, and nothing in this contract will be deemed to create a joint venture, partnership, employment, franchise, master-servant, or agency relationship between the Parties. Notwithstanding anything to the contrary, the Parties will have principal-agent relations as described in the Statement of Work. Except as expressly provided to the contrary elsewhere in this contract, no Party has any right or authority to act on behalf of another Party, nor to assume or create any obligation, liability or responsibility on behalf of another Party. Under no circumstances will the relationship of employer and employee be deemed to arise between the PUCT and Contractor's personnel. Contractor will be solely responsible for achieving the results contemplated by this contract, whether performed by Contractor, its agents, employees or subcontractors.

19.2 Non-Exclusivity. Nothing in this contract is intended nor will be construed as creating any exclusive arrangement between Contractor and PUCT. This contract will not restrict PUCT from acquiring similar, equal, or like services from other entities or sources.

19.3 Taxes and Statutory Withholdings. Contractor acknowledges that it is not a PUCT employee but is an independent contractor. Accordingly, it is Contractor's sole obligation to report as income all compensation received by Contractor under the terms of this contract. Contractor is solely responsible for all taxes (federal, state, or local), withholdings, social security, unemployment, Medicare, Workers' Compensation insurance, and other similar statutory obligations (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Contractor must defend, indemnify and hold the PUCT harmless to the extent of any obligation imposed by law on the PUCT to pay any tax (federal, state, or local), withholding, social security, unemployment, Medicare, Workers' Compensation insurance, or other similar statutory obligation (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Further, Contractor understands that neither it nor any of its individual employees is eligible for any PUCT employee benefit, including but not limited to holiday, vacation, sick pay, withholding taxes (federal, state, local), social security, Medicare, unemployment or disability insurance, Workers' Compensation, health and welfare benefits, profit sharing, 401(k) or any employee stock option or stock purchase plans. Contractor hereby waives any and all rights to any such PUCT employment benefit.

19.4 Notice. Except as otherwise stated in this contract, all notices provided for in this contract must be (a) in writing, (b) addressed to a Party at the address set forth below (or as expressly designated by such Party in a subsequent effective written notice referring specifically to this contract), (c) sent by FedEx, with proper postage affixed and (d) deemed effective upon the third business day after deposit of the notice in the U.S. Mail.

IF TO THE PUCT:

ATTENTION: Executive Director
1701 N. Congress Ave., 7th Floor
Austin, TX 78701

With copies to the PUCT contract administrator, and Jay Stone, CTCD, CTCM, at the same address.

IF TO CONTRACTOR:

ATTENTION: Michael Wyatt
500 West 2nd St., Suite 1600
Austin, TX 78701

19.5 Headings. Titles and headings of articles and sections within this contract are provided merely for convenience and must not be used or relied upon in construing this contract or the Parties' intentions with respect thereto.

19.6 Export Laws. Contractor represents, warrants, agrees and certifies that it (a) will comply with the United States Foreign Corrupt Practices Act (regarding, among other things, payments to government officials) and all export laws and rules and regulations of the United States Department of Commerce or other United States or foreign agency or authority and (b) will not knowingly permit any non-Party to directly or indirectly, import, export, re-export, or transship

any intellectual property or any third Party materials accessed by Contractor during the course of this contract in violation of any such laws, rules or regulations.

19.7 Preprinted Forms. The use of preprinted forms, such as purchase orders or acknowledgments, in connection with this contract is for convenience only and all preprinted terms and conditions stated thereon are void and of no effect. The terms of this contract cannot be amended, modified, or altered by any conflicting terms, provisions, or conditions contained in a proposal or a preprinted form, such as purchase orders or acknowledgements. If any conflict exists between this Contract and any terms and conditions on a proposal, purchase order, acknowledgment, or other preprinted form, the terms and conditions of this Contract will govern.

19.8 Specific Personnel. Contractor has identified the key personnel for this assignment (“Team”) on page 79 of its proposal submitted to the PUCT in response to RFP 473-23-00008a dated November 17, 2023.

Contractor warrants that it will use its best efforts to avoid any changes to the key personnel during the course of this Contract. Should key personnel changes occur during the term of this Contract or any extensions or renewals thereof, Contractor will recommend to the PUCT personnel with comparable experience and required qualifications and training. The PUCT must approve any change in key personnel on this project in writing. Contractor must provide individuals qualified to perform the tasks assigned to such key individuals. At the PUCT's request, Contractor must remove from the project any individual whom the PUCT finds unacceptable for any reason in the PUCT's sole discretion.

19.9 No Felony Criminal Convictions. Contractor represents and warrants that neither Contractor, nor any of its employees, agents, or representatives, including any subcontractors and employees, agents or representatives of such subcontractors performing Services hereunder, has been convicted of a felony criminal offense or that if such a conviction has occurred Contractor has fully advised PUCT of the facts and circumstances surrounding the conviction.

19.10 Publicity. Contractor understands and agrees that the PUCT does not endorse any vendor, commodity, or service. Contractor understands and agrees that Contractor, its employees, representatives, other agents, or subcontractors may not issue any public disclosure, media release, advertisement, or publication without prior written approval of the PUCT: which pertains to this contract or any services or project to which this contract relates; which pertains to any results or findings based on information provided, created, or obtained to fulfill the requirements of this contract; or which mentions the PUCT.

19.11 No Third Party Beneficiaries. Nothing contained in the contract, either express or implied, is intended to confer on any person other than the Parties, or their respective permitted successors, assigns, or transferees any interests, rights, remedies, obligations or liabilities.

19.12 Prompt Payment. All payments to Contractor by PUCT, any payments by Contractor to any subcontractor, and any payments by a subcontractor to any other person or entity that provides goods or services under this contract must be made in compliance with Chapter 2251 of the Texas Government Code, commonly known as the Texas Prompt Payment Act.

Article 20. NO IMPLIED WAIVER

The failure of any party, at any time, to enforce a provision of this contract will not constitute a waiver of that provision; will not affect the validity of this contract or any part of it; and will not affect the right of any party to enforce each and every provision.

Article 21. ORDER OF PRECEDENCE

The parties intend that the provisions of this Contract be construed as harmonious with one another, meaning that no provision should be interpreted as nullifying diminishing the force of any other provision. In the event of conflicts or inconsistencies between the provisions of this contract and any attachments or exhibits, the following are given preference in the order listed below:

- 1) The terms and conditions of this contract;
- 2) The Statement of Work, including any exhibits;
- 3) The Contractor's proposal submitted to the PUCT in response to RFP 473-23-00008a dated November 17, 2023;
- 4) The Request for Proposals number 473-23-00008a.

Article 22. FORCE MAJEURE

Neither the PUCT nor Contractor will be considered in default in the performance of its obligations under this contract to the extent that the performance of such obligations is prevented or delayed by any cause beyond the reasonable control of the affected party, which such party could not, by due diligence have avoided, including but not limited to acts of God, severe weather, explosions, riots, acts of war, or orders of legal authority. Such causes will not relieve either party of liability in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner, with all reasonable dispatch, and to give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence of the cause that prevented or delayed performance of the obligations. If the event of Force Majeure continues for a period of more than one hundred and eighty (180) days, either party thereafter may terminate this contract for convenience under Section 6.4 of this contract, except that to terminate this contract after a Force Majeure event lasting more than 180 days, the party terminating for convenience will not be required to give thirty (30) days notice, but must give at least ten (10) days prior written notice to the other party.

Article 23. SEVERABILITY

If any provision of this contract is held unlawful or otherwise unenforceable, that provision will be severed and deemed deleted and the remainder of this contract will continue in full force and effect, as if the provision had never existed.

Article 24. FUNDING OUT CLAUSE

This contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, legislative or executive budget cuts, amendment of the Appropriations Act, state agency consolidations, or any other disruptions of current

appropriations, provisions of Section 6.3 of this contract will apply. Any contract resulting from this solicitation is contingent upon the continued availability of lawful appropriations by the Texas Legislature. See Texas Constitution, Article III Section 49, State Debts; and Texas General Appropriations Act for the 2022-2023 Biennium, Article IX, Section 6.03, Excess Obligations Prohibited.

Article 25. DRUG FREE WORKPLACE POLICY

Contractor must maintain a drug-free work environment policy. Contractor must enforce its drug-free work environment policy during the pendency of this contract. Contractor must provide the PUCT a copy of its drug-free work environment policy upon request.

Article 26. SUBSTITUTIONS

Substitutions are not permitted without written approval of the PUCT.

Article 27. RIGHT TO AUDIT

Pursuant to Section 2262.003 of the Texas Government Code, the State Auditor may conduct an audit or investigation of Contractor or any other entity or person receiving funds from the state directly under this Contract or indirectly through a subcontract under this contract. The acceptance of funds by Contractor or any other entity or person directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Contractor or any other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the vendor and the requirement to cooperate is included in any subcontract awards.

Article 28. APPROVAL OF DELIVERABLES

- a) The PUCT shall approve each Deliverable that conforms in all material respects with the specifications therefor set forth in the Statement of Work or as otherwise agreed by the parties in writing ("Specifications"). Within three (3) business days (or such other period agreed upon in the Statement of Work) from its receipt of a Deliverable, the PUCT shall provide Contractor with (i) written approval of such Deliverable, (ii) a written statement which identifies in reasonable detail, with references to the applicable Specifications, all of the deficiencies preventing approval (the "Deficiencies"), or (iii) notification from the PUCT that an additional specified timeframe is required
- b) for review.
- c) Contractor shall have ten (10) calendar days (or such other period agreed upon in the Statement of Work) from the date it receives the notice of Deficiencies to complete corrective actions in order for such Deliverable to conform in all material respects to the applicable Specifications. The PUCT shall complete its review of the corrected Deliverable and notify Contractor in writing of acceptance or rejection in accordance with the foregoing provisions of this Section.

Article 29. LIMITATION OF DAMAGES

Contractor, its affiliates and subcontractors, and their respective personnel shall not be liable to the PUCT for any claims, liabilities, or expenses relating to or in connection with this contract or any Statement of Work (“Claims”) for an aggregate amount in excess of the fees paid by the PUCT to Contractor under such Statement of Work, except (i) to the extent resulting from the recklessness, bad faith or intentional misconduct of Contractor or its subcontractors. In no event shall Contractor, its affiliates or subcontractors, or their respective personnel be liable to the PUCT for any loss of use, goodwill, revenues or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect, incidental, punitive, or exemplary loss, damage, or expense, relating to or in connection with this contract or any Statement of Work. In circumstances where any limitations or exculpations set forth herein are unavailable, the aggregate liability of Contractor, its affiliates and subcontractors, and their respective personnel for any Claim shall not exceed an amount that is proportional to the relative fault that the conduct of Contractor and its subcontractors bears to all other conduct giving rise to such Claim.

Article 30. CONFIDENTIALITY

To the extent that, in connection with this Contract or any Statement of Work, either Contractor or the PUCT (each, the “receiving party”) comes into possession of any confidential information of the other (the “disclosing party”), it will not disclose such information to any third party without the disclosing party’s consent, using at least the same degree of care as it employs in maintaining in confidence its own confidential information of a similar nature, but in no event less than a reasonable degree of care. The disclosing party hereby consents to the receiving party disclosing such information (i) as expressly set forth in the applicable Statement of Work; (ii) to contractors providing administrative, infrastructure and other support services to the receiving party and subcontractors providing services in connection with a Statement of Work, in each case, whether located within or outside of the United States, provided that they have agreed to be bound by confidentiality obligations similar to those in this sub-Section; (iii) as may be required by law or regulation, or to respond to governmental inquiries, or in accordance with applicable professional standards or rules, or in connection with litigation pertaining to this Contract or an Statement of Work; or (iv) to the extent such information (A) is or becomes publicly available other than as the result of a disclosure in breach hereof, (B) becomes available to the receiving party on a nonconfidential basis from a source that the receiving party believes is not prohibited from disclosing such information to the receiving party, (C) is already known by the receiving party without any obligation of confidentiality with respect thereto, or (D) is developed by the receiving party independently of any disclosures made to the receiving party hereunder.

Article 31. SIGNATORIES

The undersigned signatories represent and warrant that they have full authority to enter into this Contract on behalf of the respective parties.

Article 32. ENTIRE AGREEMENT

This Contract, including the Statement of Work, constitutes the entire agreement and understanding between the parties with regard to its subject matter and supersedes and merges all prior discussions, writings, negotiations, understandings, and agreements concerning the

provision of these Services. Any terms and conditions attached to a solicitation will not be considered unless incorporated into this contract by specific reference.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the date signed by the last party to sign.

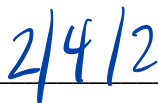
The Public Utility Commission of Texas

By:



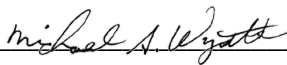
Connie Corona
Interim Executive Director

Date Signed:



Deloitte & Touche LLP

By:



Michael Wyatt
Principal

Date Signed: 2/04/2024

EXHIBIT 1

STATEMENT OF WORK

Contractor must perform, at a minimum, the Texas Energy Fund implementation services described in this Statement of Work (SOW), at the direction of the PUCT.

This Statement of Work contemplates six (6) Functional Areas the Contractor must implement:

- Rulemaking,
- Loan Programs,
- Grant Programs,
- Strategy & Stakeholder Outreach
- Supporting Functional Areas: (Project Management Office (PMO), Financial Management, Reporting, Compliance, and Program Integrity); and
- Technology

The Functional Areas will support each of the four Texas Energy Fund Programs (Loans, Completion Grants, Outside ERCOT Grants, and Texas Backup Power Package).

Work on each Functional Area will each consist of the following Phases, corresponding to the Phases identified in Contractor's proposal as "Deloitte's Integrated Approach and Solution" with the addition of Phase 3, which corresponds to the Closeout tasks identified in Contractor's proposal:

- PHASE 1A: INITIATE
- PHASE 1B: DEFINE
- PHASE 1C: DEVELOP
- PHASE 2A: DEPLOY
- PHASE 2B: OPERATE
- PHASE 3: CLOSEOUT

1. Overview

Contractor must perform the tasks and complete the Deliverables described below for each phase in coordination with PUCT, its partners, and state officials. Work for each phase must occur for all 4 of the Programs and Rulemakings listed below within the timeframes specified, and as agreed between the PUCT and Contractor.

- 1.1. Introduction. Subject to the PUCT's oversight and supervision, the Contractor must establish, administer, and manage the four programs created by Senate Bill 2627 (SB 2627) and as set forth in this SOW. This Statement of Work identifies the key tasks associated with SB 2627 programs and incorporates Deloitte's Integrated Approach and Solution in Sections 2 through 5 of this Statement of Work described below, then presents rulemaking requirements and general obligations applicable to all of the SB 2627 programs. Contractor acknowledges that requirements of loan or grant recipients described in this Statement of Work are tentative, pending PUCT rulemaking on these programs, unless they are specifically required by statute. The Contractor will be expected to develop systems that can

accommodate program rules. Changes to rules or statutes (e.g., SB 2627, PURA § 34.0103, and PURA § 34.0104) subsequent to contract execution that expand the scope of Services as set forth in this Agreement subsequent to contract execution may require a corresponding amendment agreed to by the parties reflecting such expansion.

- 1.2. Contractor consultation and communication. This Statement of Work is written to describe the goals and expected outcomes of this contract. The PUCT expects Contractor to consult with PUCT and document the processes and methods they will use to accomplish these goals and outcomes within the legal and practical constraints that apply to the SB 2627 programs as set forth in this SOW. Contractor must provide the PUCT with an organizational chart which identifies staff and subcontractors, if any, that will undertake tasks in this SOW along with a description of the work each staff member and subcontractor will perform. Specific deadlines for Deliverables will be analyzed, agreed upon, and finalized between the PUCT and Contractor no later than 30 calendar days following the Strategy Lab or as set forth in the Work Plan pursuant to this SOW.
- 1.3. Work Product: Project Strategy Lab: Within 15 days of contract signing, the Contractor must facilitate an in-person working session with identified PUCT leaders to support alignment for the project, inform the design of program-specific criteria and outline internal governance processes. Additionally, Contractor must facilitate Program-Focused Strategy Labs for each of the four TEF Programs, on a schedule agreed upon in collaboration with the PUCT and included within the Work Plan.
- 1.4. DELIVERABLE: Work Plans: referencing section 1.3, the Contractor must submit a Project Work Plan to the PUCT within 15 days following the Project Strategy Lab that aligns Deliverable due dates to specific Deliverables and include milestones for work products that support Deliverables. In addition, the work plan will include requirements for the timing of PUCT input and decisions on specific Deliverables. Additionally, Contractor must submit four Program Work Plans (to include Programmatic SOPs, Policies, and Procedures do be defined within the Project Work Plan) for each of the four TEF Programs, following the Program Focused Strategy Labs, on a schedule agreed upon in collaboration with the PUCT and included within the Project Work Plan.
- 1.5. Prime Contractor Responsibility. Contractor is responsible for confirming that work is completed by the agreed-upon deadlines whether that work is performed by the Contractor or its subcontractors. Assumptions in the Contractor's Proposal dated November 17, 2023, are hereby incorporated by reference herein.
- 1.6. Contractor Knowledge and Experience. Contractor must assist the PUCT and provide analyses, processes, documentation, guidance and knowledge enabling the implementation of the Texas Energy Fund in the following areas:
 - 1.6.1. Provide PUCT with recommendations for PUCT's consideration and final decision for the commercial, technical, and financial terms of commercial lending and physical infrastructure financing. The Contractor must perform borrower due diligence and creditworthiness analysis.

- 1.6.2. Support PUCT with the administration of the Texas Energy Fund grant and loan programs, including the PUCT approved evaluation and scoring processes for grant and loan applications.
- 1.6.3. Develop and administer the electronic systems to receive and organize applicant data in a manner that allows for data analysis sufficient for PUCT to make judgments about eligibility for loan and grant awards.
- 1.6.4. Provide compliance monitoring for loan and grant recipients.
- 1.7. Support the PUCT by utilizing analyses, guidance, and expertise to assist in its efforts regarding the implementation of the Texas Energy Fund:
 - 1.7.1. In Its compliance with Texas laws governing state agencies, including rulemaking under the Administrative Procedure Act, state government transparency requirements, procurement requirements, and contracting prohibitions.
 - 1.7.2. Assist PUCT for generation build-out. This entails recommendations for PUCT's consideration and final decision for application criteria related to site assessment, permitting, and electric grid interconnection; facility maintenance for electric generation and delivery systems, including facility weatherization, resiliency enhancement, facility modernization, and vegetation management.
- 1.8. **DELIVERABLE: Inspection Plan:** Contractor must advise the PUCT on a schedule and provide recommended criteria for inspections of facilities receiving grants or loans under each of the four TEF programs. Contractor must provide a methodology and get approval from the PUCT, such approval not to be unreasonably denied. Contractor must then carry out the agreed-upon inspection plan and document its inspections. Contractor's inspection schedule and criteria must be based on an analysis of risks associated with the loan or grant. Contractor must provide its analysis to the PUCT along with its recommended schedule and criteria. The PUCT will require onsite inspections, which may include a sampling methodology based upon risk, and may include virtual inspections as agreed upon within the Inspection Plan. The inspection plan may also take into account other means of verifying requirements for loans or grants (e.g., drone inspections, virtual visits, loan and grant recipient certifications, etc.).
 - 1.8.1. Work product: Contractor must develop a methodology and approach to carry out inspections required for facilities that receive loans or grants from each of the four programs of the TEF.
 - 1.8.2. Work product: Contractor must provide an inspection report for each inspection completed in a format to be agreed and approved by the PUCT.
 - 1.8.3. In the implementation of the Texas Energy Fund, the Contractor must consider the operation of the ERCOT wholesale markets.

2. Loans for the ERCOT Power Region

- 2.1. Deadlines. SB 2627 requires that the PUCT begin accepting loan applications for this program no later than June 1, 2024. In addition, the PUCT must approve or deny each loan application and disburse initial loan funds for approved applicants no later than December 31, 2025. Therefore, Phases 1 and 2 and corresponding Deliverables and work products in this Section 2 are targeted to be completed and operational in time to meet these statutory deadlines and as set forth in the Work Plan pursuant to this SOW.
- 2.2. DELIVERABLE: Policies, procedures, or guidelines to educate applicants and provide a standard operating procedure for the administration of the program. These materials must be developed by the Contractor and approved by the PUCT no later than April 1, 2024 and must be updated by mutual agreement between the Contractor and the PUCT throughout the program lifecycle.
 - 2.2.1.1. Work product: The Contractor must deploy the program materials that include the policies, procedures, and/or operational guidelines and assist applicants applying to the program and provide technical assistance where necessary.
- 2.3. DELIVERABLE: Application. The Contractor must develop and administer an electronic application system that enables applicants to apply for loans to finance (1) upgrades to existing dispatchable electric generating facilities or (2) construction of new dispatchable electric generating facilities providing power for the ERCOT power region as described in PURA § 34.0104. The application system must conform to PUCT rules adopted in accordance with SB 2627 programs. The application system must allow applicants to upload relevant application information in a manner that maintains the confidentiality of that information. The application system should include an applicant login that will allow applicants to develop the application over multiple use sessions without losing information previously completed in the application. SB 2627 requires that the PUCT begin accepting applications no later than June 1, 2024, so the electronic application system must be fully functional by that date.
 - 2.3.1. The application system must include a process that allows interested persons to submit notice of intent to apply for a loan under PURA § 34.0104 in advance of the application period in accordance with PUCT rules. This notice of intent process must accommodate the June 1, 2024, application deadline.
 - 2.3.2. The Contractor will configure and deploy its GovConnect system to receive applications and administer loans as described this SOW.
- 2.4. Evaluation. The Contractor must develop a method of compiling and reporting application information in a manner that allows the PUCT to evaluate the merits of loan applications. The evaluation process must conform to PUCT rules and evaluate factors listed in PURA § 34.0104. In consultation with and at the direction of PUCT, the Contractor must develop a recommended scoring rubric to assist the PUCT in its determination for which applicants are

eligible for an award. For applications which are determined to be administratively complete and eligible, the contractor must conduct detailed due diligence, including analysis financial models provided by the applicant, of market assumptions underpinning the financial model, and key project documents and contracts related to the application. Based upon the scoring matrix, which will include all of the eligibility factors, and due diligence review results, the PUCT will make final decisions regarding loan approval.

2.4.1. DELIVERABLE: The Contractor will develop a recommended scoring rubric that will be used to evaluate loan applications, as well as a supporting methodology that explains the approach and weightings of the specific scoring rubric. The Contractor will submit a final version of the recommended scoring rubric no later than March 1st, 2024. The PUCT will provide input and has final approval of the scoring rubric to be used.

2.4.2. Work Product: The Contractor will perform an administrative review of submitted applications; and identify areas of administrative deficiency for applicants to rectify those deficiencies where possible, as described in the Program Work Plan.

2.4.3. DELIVERABLE: The Contractor will perform due diligence on eligible applications based upon PUCT approval and provide the PUCT with a report containing analysis of the information gathered for PUCT's consideration and final decision in accordance with the schedule in the Program Work Plan. Following the completion of loan due diligence, the Contractor will provide a summary of the Loan Application, the merits and risks of that application, pursuant to the scoring rubric and due diligence. In the event of oversubscription, the report should assist the PUCT with its decision-making process. The Contractor will be available to answer specific questions from the PUCT to support the PUCT's decision-making following loan due diligence.

2.5. Award Reports and disbursement requests. The Contractor must generate reports which include awards and disbursement amounts, according to the Loan Agreement disbursement schedules and provide it to the to PUCT for approval and submittal to the Texas Treasury Safekeeping Trust Company (Trust Company) to facilitate loan payments to the recipients of the funds.

2.5.1. Agreement with the Trust Company. The PUCT has entered into an agreement with the Trust Company that will accommodate communication between the Contractor and the Trust Company. The PUCT has provided a copy of the agreement with the Trust Company to the Contractor. The PUCT will notify the Contractor and provide a copy of any changes to the agreement with the Trust Company as soon as practicable. The Contractor will communicate with the Trust Company in the manner described in the agreement, in a mutually agreed format, to facilitate award disbursement, provided that such does not expand the scope of Services as set forth in this SOW (absent a corresponding amendment agreed to by the parties reflecting such expansion), nor conflict with or modify the terms of this Contract.

- 2.5.2. The Contractor must develop systems for monitoring and reporting borrowers' use of funds to validate compliance with PUCT-approved program guidelines as described in this SOW. The Contractor must create an electronic repository to house borrower monitoring and reporting data. The Contractor must implement a process to service the loans through closeout. The Contractor must coordinate with the PUCT to track cash flows into and out of the TEF based on loan disbursement, projected debt service, and actual repayment.
- 2.5.2.1. The Contractor, using the GovConnect system, must develop a process for sending notifications to the applicants and recipients of funds to assist the PUCT in providing communications.
- 2.5.2.2. Work Product: The Contractor must produce a quarterly report on the status of the borrower's compliance with the loan agreement once the project has reached commercial operations. This report may include covenant compliance requirements, such as a debt service coverage ratio, minimum liquidity ratio, leverage ratios among others based on the credit quality of the applicant. The Contractor must provide this quarterly report to the PUCT for their review and approval.
- 2.5.2.3. Work Product: The Contractor must produce an annual report, as set forth in the Work Plan pursuant to this SOW, for each loan that describes the current state of the borrower or funded project, and highlights risks the project may face to performing under the loan agreement.
- 2.5.2.4. DELIVERABLE: The Contractor must develop a process that assists the Trust Company in tracking principal and interest payments from borrowers under the TEF, as well as planned cash disbursements to borrowers.
- 2.5.2.5. The Contractor must develop a system for tracking amounts awarded to make sure that loan disbursements do not exceed the fund limits authorized by law.
- 2.5.3. Phased Loan Disbursement. The Contractor must establish a process for phased loan disbursement that is keyed to significant construction milestones or other defined events. This will facilitate development of a monitoring program that will assist the PUCT in substantiating completion of defined construction events as a condition to loan disbursements.
- 2.5.3.1. Work Product: The Contractor will produce a monthly report on the status of the borrower during the construction of the project, using information provided by the borrower. The Contractor will present this monthly report to the PUCT for its review and approval that the borrower is in compliance with the loan agreement, has reached specific milestones, and to approve disbursements of future draws under the loan facility. The Contractor will develop a process to provide the monthly report to PUCT for its approval.

2.5.4. Borrower Deposit. In consultation with the Texas Comptroller of Public Accounts (Comptroller) and Trust Company, the Contractor will establish a process to direct borrowers on how to transfer the borrower deposit described in PURA § 34.0104(g) into an escrow account maintained by the Comptroller. The Contractor must have the ability to track the deposit.

2.5.4.1. Work Product: The Contractor must develop a process and instructions for borrowers on how to transfer their borrower deposit into an escrow account maintained by the Trust Company on behalf of the Comptroller.

2.5.5. Withdrawal of Deposit. In consultation with the Comptroller and Trust Company, the Contractor must establish a process for the Trust Company to facilitate the borrowers withdrawals the deposit upon PUCT authorization for withdrawal. For deposits that do not receive PUCT authorization for withdrawal, the Contractor must establish a process for the Trust Company (on behalf of the Comptroller) to transfer the deposit from the Comptroller's escrow account to the TEF.

2.5.5.1. Work Product: The Contractor must develop a process for the Trust Company or Comptroller to notify the borrower that deposits are available for withdrawal or transfer.

2.5.6. Event of Default. The Contractor must create a process to report a default to the PUCT so that the PUCT can exercise default remedies described in PURA § 34.0108.

2.5.6.1. Work Product: The Contractor must use the information provided by the borrower and the quarterly reports to inform the PUCT of conditions that may be the basis of an event of default.

2.5.6.2. Sale of Assets After Default. The Contractor must develop a process for the PUCT's review and approval to assist in the development of a process that can facilitate the return of the proceeds of any asset sale to the TEF in the event of a receiver's sale of borrower assets.

2.5.7. Work Product: The Contractor must develop recommended commercial, technical, and financial loan terms in the loan agreement for the PUCT's review and approval.

2.6. Loan Closeout Process. The Contractor must develop a loan closeout process for PUCT's review and approval. The process the Contractor will develop must be completed for each borrower when all of the following have been completed for the loan: all funds are disbursed, all funds have been repaid, and all other loan-recipient responsibilities are completed.

2.6.1. Work Product: The Contractor must develop a loan closeout process.

- 2.7. Process to Report to ERCOT to Facilitate Interconnect. The Contractor must develop a process to report the award of a loan under this program to ERCOT and develop a process to report completion of project requirements under the loan agreement so that ERCOT may begin activity necessary to facilitate interconnection of the facility.
- 2.7.1. Work Product: The Contractor must develop a report to notify ERCOT that a loan application was awarded by the TEF for a project, including relevant information such as the schedule and capacity of the project.
- 2.7.2. Work Product: The Contractor must produce a report to notify ERCOT that a project which received a loan from the TEF has reached substantial completion so that ERCOT may begin any activity to facilitate interconnection of the facility.
- 2.8. Loan Agreements. The Contractor must develop a template draft loan agreement, for the review and approval of PUCT and its counsel, for each borrower that receives a loan under this program. The PUCT envisions that these documents will be standardized as practical, allowing PUCT staff to approve the standard form, and variations as required. The loan terms must conform to the requirements in PURA § 34.0104(f). Without limitation, the loan documents must include the following attributes:
- 2.8.1. The loan agreement must describe the funds disbursement schedule based on specified milestones, as defined in the Work Plan as described in this SOW, and construction events. The loan agreement must account for receipt of the deposit and include terms for its withdrawal.
- 2.8.2. Borrowers must consent to construction reporting requirements and facility monitoring, including on-site inspections.
- 2.8.3. Each loan agreement must require the borrower to enter into a debt covenant that requires the borrower to meet facility performance standards adopted by the PUCT in accordance with PURA § 34.0106(c). The loan agreement must require the facility to participate in the ERCOT wholesale electricity market.
- 2.8.4. The loan agreement must describe events of default and any applicable opportunity for cure. The loan agreement must require the borrower to consent to statutory remedies described in PURA § 34.0108. The loan agreement must include provisions requiring borrowers to return disbursed loan funds to the TEF upon the sale of facility assets but cannot allow the state-affiliated entities described in PURA § 34.0108(b) to retain an ownership interest in borrower projects or facilities.
- 2.8.5. For loans that finance construction of new facilities, the loan agreement must ensure that the loan is to be the senior debt secured by the facility.

2.9. **DELIVERABLE:** The Contractor must develop a template draft loan agreement, for the review and approval of PUCT and its counsel.

3. Grants for Facilities Outside of the ERCOT Power Region

3.1. **Deadlines.** PUCT projects to begin accepting grant applications for this program no later than the third quarter of 2025. Phases 1 & 2 and corresponding Deliverables in this Section 3 are targeted to be completed and operational in time to meet projected deadlines. Specific interim deadlines for Deliverables will be analyzed, agreed upon, and finalized between the PUCT and Contractor no later than 30 calendar days after execution of this Contract or as set forth in the Work Plan pursuant to this SOW.

3.2. **DELIVERABLE:** Contractor must develop recommended Outside of ERCOT Grant Program policies, procedures and operational guidelines for PUCT review and approval as described in the Project Work Plan and must update such policies, procedures, and operational guidelines periodically during program lifecycle.

3.2.1. **Work product:** The Contractor must deploy the program materials that include the policies, procedures, or operational guidelines and assist applicants applying to the program and provide technical assistance where necessary.

3.3. **DELIVERABLE: Application.** The Contractor must develop and administer an online application system that allows qualifying applicants to apply for grants to be used for transmission and distribution infrastructure and electric generating facilities inside Texas, but outside of the ERCOT power region as described in PURA § 34.0103. The application system must conform to PUCT rules adopted in accordance with SB 2627 programs. The application system must allow applicants to upload relevant application information in a manner that maintains the confidentiality of that information. The application system must include an applicant login process that will allow applicants to develop the application over multiple use sessions without losing information previously completed in the application.

3.3.1. The Contractor must develop an application for the program that complies with the requirements outlined in 3.3, this SOW, and as set forth in the Work Plan.

3.4. **Evaluation.** The Contractor must develop a method of compiling and reporting application information in a manner that enables the PUCT to evaluate the merits of grant applications. The evaluation process must conform to PUCT rules and must conform to PUCT rules and evaluate factors listed in PURA § 34.0103. In consultation with and at the direction of PUCT, the Contractor must develop a recommended scoring rubric to assist the PUCT in its determination for which applicants are eligible for an award. The PUCT has final approval of the scoring rubric to be used. Additionally, the PUCT alone will make final decisions regarding grant award.

3.4.1. **DELIVERABLE:** The Contractor must prepare a recommended scoring rubric that complies with the requirements of this SOW and agreed in the Work Plan.

- 3.4.2. Work Product: The Contractor must perform an administrative review of submitted applications and work with applicants to rectify application administrative deficiencies where possible, as described in the Program Work Plan.
- 3.4.3. DELIVERABLE: The Contractor must provide the PUCT with a report for PUCT's consideration and final decision in accordance with the schedule in the Program Work Plan and following completion of the application review which provides a summary of the grant applications and the merits and risks of those applications pursuant to the scoring rubric. In the event of oversubscription, the report should provide data and inputs to assist the PUCT with its decision-making process. The contractor must be available to answer specific questions from the PUCT to support the PUCT's decision making following application reviews.
- 3.5. Award Reports and Monitoring. In coordination with the Texas Treasury Safekeeping Trust Company (Trust Company), the Contractor must develop systems for facilitating the delivery of grant funds upon award. The Contractor must develop systems for monitoring and reporting recipients' use of funds to enable PUCT to verify recipients' compliance with program eligibility. The Contractor must create an electronic repository to house grant application data and grant recipient monitoring and reporting data. The Contractor must generate reports for awards and disbursements to provide to PUCT for approval and submittal to the Trust Company to facilitate grant payments to the recipients of funds.
- 3.5.1. The Contractor must develop a template grant agreement for the review and approval of PUCT and its counsel, to bind each recipient of grant funds to conditions relating to authorized use of funds, reporting requirements, and facility inspection. The agreement must include claw-backs and penalty provisions for noncompliance that conform to legal requirements, including PURA, the Comptroller of Public Accounts' Texas Grant Management Standards, and applicable PUCT rules.
- 3.5.2. DELIVERABLE: The Contractor must develop a template grant agreement, for the review and approval of PUCT and its counsel.
- 3.5.3. Work Product: The Contractor must create a process to report events of grant agreement noncompliance, in accordance with approved program policies and guidelines, to the PUCT such that the PUCT can exercise any noncompliance remedies described in the grant agreement.
- 3.5.4. The Contractor must develop a system for tracking amounts awarded to make sure that grant disbursements do not exceed the fund limits authorized by law.
- 3.5.5. The Contractor must coordinate with the Trust Company to assist in tracking cash flows out of the TEF based on projected and actual grant disbursements under this program.

3.5.5.1. DELIVERABLE: The contractor must develop a payment process outline that complies with this SOW that is mutually agreed upon with the Trust Company. This payment process must include a reconciliation of cash flows between the two entities.

3.5.5.2. DELIVERABLE: The contractor must develop a secure electronic repository for grant application and monitoring data as well as those reports developed on that data.

3.6. Grant Closeout Process. The Contractor must work with the PUCT to design a grant closeout process to be completed for grant recipients when both of the following have been completed for the grant: all funds are disbursed, and all grant recipient responsibilities are completed.

3.6.1. Work Product: The Contractor must develop a closeout process for the grant programs.

4. Completion Bonus Grants Inside the ERCOT Power Region.

4.1. Deadlines. Completion bonus grants must be available to qualifying dispatchable electric generating facilities in the ERCOT power region that did not meet the planning model requirements necessary to be included in ERCOT's Capacity, Demand, and Reserves before June 1, 2023. Under PURA § 34.0105, grant recipients may begin receiving grant disbursements on the first anniversary of commercial operations of the facility qualifying for the grant. Therefore, Phases 1 and 2 and the corresponding Deliverables in this Section 4 are targeted to be completed and operational in time to meet the application and disbursement schedule described in PURA § 34.0105. Specific interim deadlines for Deliverables will be analyzed, agreed upon, and finalized between the PUCT and Contractor as set forth in the Work Plan pursuant to this SOW.

4.2. DELIVERABLE: Applications. The Contractor must develop and administer an electronic application system that allows applicants to apply for completion bonus grants for the construction of dispatchable electric generating facilities in the ERCOT power region as described in PURA § 34.0105. Pending a rulemaking on the application criteria it is the PUCT's interpretation that applicants for completion bonus grants are not required to also be borrowers under PURA § 34.0104. The application system must conform to PUCT rules adopted in accordance with SB 2627 programs. The application system must allow applicants to upload relevant application information and facility performance data in a manner that maintains the confidentiality of that information. The application system must include an applicant login that will allow applicants to develop the application over multiple use sessions without losing information previously completed in the application.

4.2.1: The Contractor must configure and deploy its GovConnect system to receive applications and administer grants as described in this SOW.

4.3. Evaluation. The Contractor must develop a method of compiling and reporting application information in a manner that allows the PUCT to determine which entities

should receive completion bonus grants based on the factors listed in PURA § 34.0105 as well as PUCT rules adopted in accordance with SB 2627 programs. In consultation with the PUCT, the Contractor must develop a recommended scoring rubric to assist the PUCT in its determination for which applicants are eligible for an award. The PUCT has final approval of the scoring rubric to be used. Additionally, the PUCT alone has the ability to make final decisions regarding the recipients and amounts of completion bonus grants.

4.3.1. DELIVERABLE: The contractor must develop a recommended scoring rubric for evaluating completion bonus grant applications, as well as a supporting methodology that explains the approach and the weightings of the specific scoring rubrics. The PUCT will provide input and has final approval of the scoring rubric to be used.

4.3.2. DELIVERABLE: The Contractor must prepare a recommended scoring rubric that complies with the requirements of this SOW and agreed in the Work Plan.

4.3.3. DELIVERABLE: The Contractor must provide the PUCT with a report for PUCT's consideration and final decision that describes the results of the scoring rubric on a specific completion bonus grant application to assist the PUCT's decision on whether to advance a completion bonus grant application for an annual award, and in what amount.

4.4 Performance. The proceeds of any completion bonus grant are to be disbursed to the grant recipient in equal annual payments over a 10-year period beginning on the first anniversary of commercial operations of the facility qualifying for the grant. The Contractor must design a process to enable the Trust Company to disburse completion grants to grant recipients so long as recipients annually meet or exceed the median performance standards adopted by PUCT rule in accordance with PURA § 34.0105(i). The Contractor must evaluate the performance of a grant recipient's qualifying facility for each of the 10 years that a grant disbursement may be made. The Contractor must provide the PUCT with performance data and reporting analysis based upon data provided by the grant recipients to assist the PUCT in its determination on whether a grant recipient should receive an annual grant payment and whether that payment should be discounted for performance below the optimal performance standard.

4.4.1 Work Product: The Contractor must provide annual facility performance report based on the grant recipient supplied information to the PUCT for its approval of bonus grant payments.

4.5 Award and Monitoring. The Contractor must submit a report of awards and disbursement amounts to the PUCT for approval and submittal to the Trust Company. The Contractor must communicate with the Trust Company in the manner described in the PUCT-Trust Company agreement to facilitate award disbursement, provided that such does not expand the scope of Services as set forth in this SOW (absent a corresponding amendment agreed to by the parties reflecting such expansion), nor conflict with or modify the terms of this Contract. The Contractor

must coordinate with the Trust Company to track cash flows out of the TEF based on projected and actual grant disbursements.

4.5.1. The application system described in Part 4.2 must accommodate the upload of annual facility performance data during the 10-year period when an applicant is eligible for grant disbursement.

4.5.1.1 DELIVERABLE: The Contractor must develop a template grant agreement, for the review and approval of PUCT and its counsel.

4.5.1.2 Work Product: The Contractor must develop a payment process outline that is mutually agreed upon with the Texas Safekeeping Trust Company. This payment process must include a reconciliation of cash flows between the two entities.

4.5.1.3 Work Product: The Contractor must develop a compliance monitoring process that accounts for the differences in each loan and grant program. The Contractor must develop a system for tracking amounts awarded to ensure that grant disbursements do not exceed the fund limits authorized by law.

4.5.2 Report to ERCOT to Facilitate Interconnect. The Contractor must develop a process to report the award of a grant under this program to ERCOT so that ERCOT may begin any activity necessary to facilitate interconnection of the facility.

4.5.2.1 Work Product: The Contractor must develop a report to notify ERCOT that the grant application was awarded by the TEF for a project, including relevant information such as the schedule and the capacity of the project.

4.6 Grant Closeout Process. The Contractor must work with the PUCT to design a grant closeout process to be completed for each grant recipient when both of the following have been completed for the grant: all funds are disbursed, and all grant recipient responsibilities are completed.

4.6.1 Work Product: The Contractor must develop a draft closeout process for each of the grants and loan program.

5. Texas Backup Power Package

5.1. Deadlines. Specific deadlines for completing Phases 1 & 2 and corresponding Deliverables in this Section 5 will be analyzed, agreed upon, and finalized between the PUCT and Contractor in the Project Work Plan.

5.2. DELIVERABLE: Policies, procedures, or guidelines to educate applicants and provide a standard operating procedure for the administration of the program. These materials must be developed by the Contractor and approved by the PUCT as indicated in the Work Plan and must be updated by mutual agreement between the Contractor and the PUCT throughout the program lifecycle.

- 5.3. Work product: The Contractor must deploy the program materials that include the policies, procedures, or operational guidelines and assist applicants applying to the program and provide technical assistance where necessary.
- 5.4. DELIVERABLE: Applications for Grants and Loans. The Contractor must develop electronic application systems for grants and loans in accordance with PUCT rules adopted under PURA §§ 34.0201 – .0205. PURA § 34.0203 contemplates the convention of an advisory committee to recommend criteria for the PUCT to employ in making a grant or loan. The Contractor must create application systems that accommodate any recommendations from the advisory committee for specific application criteria that the PUCT adopts. The Contractor must develop and administer electronic application systems that will allow entities to apply for grants and loans to be used fund the design, procurement, installation, and use of Texas backup power packages. The Contractor systems must be able to accommodate applications for grants and loans. The application systems must conform to PUCT rules adopted in accordance with PURA §§ 34.0201 – .0205. The application system must allow applicants to upload relevant application information and facility performance data in a manner that maintains the confidentiality of that information. The application system should include an applicant login that will allow applicants to develop the application over multiple use sessions without losing information previously completed in the application.
- 5.5. The Contractor must develop an electronic application system, using GovConnect, for the grants and loans under this program pursuant to the SOW.
- 5.6. Evaluation. The Contractor must develop a method of compiling and reporting application information in a manner that allows the PUCT to determine which entities should receive grants or loans for backup power packages that meet the characteristics described in PURA §§ 34.0204 and .0205 as well as PUCT rules adopted in accordance with PURA §§ 34.0201 – .0205. In consultation with the PUCT, the Contractor must develop a recommended scoring rubric to enable the PUCT to rate applications and must assist the PUCT in its determinations on which applicants should receive grants or loans, including the amount and terms of those grants or loans. The PUCT has final approval of the scoring rubric to be used. Additionally, the PUCT alone has the ability to make final decisions regarding grant and loan approval, including the amount and terms of the grants or loans.
- 5.7 DELIVERABLE: The Contractor must develop a recommended scoring rubric that will be used to evaluate loan and grant applications, as well as a supporting methodology that explains the approach and weighting of the specific scoring rubric. The Contractor must submit a final version of the recommended scoring rubric as detailed in the Work Plan. The PUCT will provide input and has final approval of the scoring rubric to be used.
- 5 5.8 Work Product: The Contractor must perform an administrative and, where necessary, a due diligence review of submitted applications; provide technical support, as defined in the Work Plan as described in this SOW, to applicants; and rectify application deficiencies where possible, as described in the Program Work Plan.
- 5.9 DELIVERABLE: The Contractor will provide the PUCT with a report for PUCT's consideration and final decision in accordance with the schedule in the Program Work Plan, following the completion of application review, that provides a summary of the loan and grant applications, and the merits and risks of those applications, pursuant to the scoring rubric. In

the event of oversubscription the report should provide data and inputs to assist the PUCT with its decision-making process. The Contractor will be available to answer specific questions from the PUCT to support their PUCT's decision-making following application reviews.

- 5.10 Awards and Monitoring. The Contractor must develop separate process for the award and monitoring requirements associated with grants and loans for this program.
- 5.11 Work Product: The contractor must develop a compliance monitoring process that accounts for the differences in each loan and grant program.
- 5.12 Grants. The PUCT must submit approval of final awards and disbursement amounts to the Texas Treasury Safekeeping Trust Company (Trust Company) for payment(s). The Contractor must communicate with the Trust Company in the manner described in the PUCT-Trust Company agreement to facilitate award disbursement, provided that such does not expand the scope of Services as set forth in this SOW (absent a corresponding change order agreed to by the parties reflecting such expansion), nor conflict with or modify the terms of this Contract. The Contractor must develop systems for monitoring and reporting recipients' use of funds to ensure compliance with program eligibility. The Contractor must create an electronic repository to house grant recipient monitoring and reporting data. The Contractor must coordinate with the Trust Company to track cash flows out of the TEF based on projected and actual grant disbursements.
- 5.13 Grant agreement. The Contractor must develop a grant agreement, under the supervision of the PUCT counsel, to bind each recipient of grant funds to conditions relating to authorized use of funds, reporting requirements, and facility inspection. The agreement must include claw-backs and penalty provisions for noncompliance that conform to PURA and applicable PUCT rules.
- 5.14 DELIVERABLE: The contractor must develop template loan and grant agreements, for the review and approval of PUCT and its counsel.
- 5.15 Work Product: The Contractor must develop a payment process outlined that is mutually agreed upon with the Texas Safekeeping Trust Company. This payment process must include a reconciliation of cashflows between the two entities.
- 5.16 Loans. The PUCT will submit approval of final awards and disbursement amounts to the Trust Company. The Contractor must communicate with the Trust Company in the manner described in the PUCT-Trust Company agreement to facilitate award disbursement, provided that such does not expand the scope of Services as set forth in this SOW (absent a corresponding amendment agreed to by the parties reflecting such expansion), nor conflict with or modify the terms of this Contract. The Contractor must develop systems for monitoring and reporting borrowers' use of funds to ensure compliance with program guidelines. The Contractor must implement a method to service the loans through closeout. The Contractor must coordinate with the Trust Company to track cash flows into and out of the TEF based on loan disbursement, projected debt service, and actual repayment.
- 5.17 Loan Agreements. The Contractor must create all necessary loan documents for each borrower that receives a loan under this program. The loan terms must conform to the requirements described in PURA §§ 34.0204 and .0205 as well as PUCT rules adopted under this program. Without limitation, the loan agreements must include the following attributes:

- 5.17.1 Borrowers must consent to construction and backup power operation reporting requirements as well as requirements for facility monitoring, including on-site inspections.
- 5.17.2 The loan agreement must describe events of default and any applicable opportunity for cure. The loan agreement must require the borrower to consent to statutory remedies described in PURA § 34.0108. The loan agreement must include provisions requiring borrowers to return disbursed loan funds to the TEF upon the sale of facility assets but cannot allow the state-affiliated entities described in PURA § 34.0108(b) to retain an ownership interest in borrower projects or facilities.
- 5.17.3 The loan agreement must prohibit the borrower from using the backup power system for the sale of energy or ancillary services.
- 5.18 Work Product: The contractor must develop template loan and grant agreements, for the review and approval of PUCT and its counsel.
- 5.19 Work Product: The Contractor must develop a payment process that is mutually agreed upon with the Texas Safekeeping Trust Company. This payment process must include a reconciliation of cashflows between the two entities.
- 5.20 Sale of Assets after Default. The Contractor must develop a mechanism that can facilitate the proceeds of any asset sale to be returned to the TEF in the event of a receiver's sale of borrower assets.
- 5.21 Grant and Loan Closeout Process. The Contractor must work with the PUCT to design closeout processes to be completed for each grant or loan recipient. The grant closeout process must be completed for each grant recipient when both of the following have been completed for the grant: all funds are disbursed, and all grantee responsibilities are completed. Alternately, if a borrower defaults, the loan closeout process must be completed after the completion of any sale of assets after default and the receipt by the TEF of any funds that will be received from that sale.
- 5.22 Work Product: The Contractor must develop a closeout process for each grant and loan program. This includes a process of assets after default where applicable.
- 5.23 Advisory Committee. The Contractor must provide non-confidential information it obtains during the course of its work to the Backup Power Package Advisory Committee upon Advisory Committee request. The Contractor must send at least one personnel member to each of the Advisory Committee meetings to provide consultation to the Advisory Committee that will assist the Advisory Committee in achieving its purpose.
- 5.24 Research Entity Contract. PURA § 34.0203(c) requires the PUCT to contract with a research entity with experience in microgrid design to analyze critical facility characteristics and requirements for backup power packages. The Contractor must assist the PUCT on the types of entities suitable to serve as the research entity, and upon PUCT request, the Contractor must develop a scope of work to define the research entity's task requirements. The Contractor must review the research entity's analysis in the Contractor's development and implementation of systems described in this Section 5 of the Statement of Work.
- 5.25 Report to Electric Utility for Facility Interconnect. The Contractor must develop a process to report the award of a grant or loan under this program to the applicable electric utility so the utility may begin any activity necessary to facilitate interconnection of the backup power

package in accordance with PUCT rules adopted in accordance with PURA §§ 34.0201 – .0205.

5.26 Work Product: The Contractor must develop a report to notify the applicable electric utility that a grant or loan application was awarded by the TEF for a project, including relevant information such as a schedule and capacity of the project.

6. **Rules Support and Consultation.** SB 2627 authorizes the PUCT to adopt rules to implement the various SB 2627 programs. The PUCT has already conducted certain rulemaking activities. The Contractor must provide consultation on the rulemaking projects associated with SB 2627 programs as described in this Section 6 of the SOW, agreed upon with the PUCT during the Strategy Lab or any Program-Focused Strategy Lab and as set forth in the Work Plan pursuant to this SOW. The Contractor must participate in workshops the PUCT finds necessary to in the advancement of SB 2627 rules, as set forth in the Work Plan pursuant to this SOW. The Contractor must also assist the PUCT in the drafting and adoption of program rules to make sure that they are compatible with applicable systems the Contractor intends to develop when undertaking the tasks described in this SOW. If the adoption of rules changes the final draft processes and configuration of the Contractor developed systems, it may require an amendment to the Contract to reflect additional required work. Rule assistance and drafting includes, as agreed upon with the PUCT during the Strategy Lab and as set forth in the Work Plan pursuant to this SOW, development of questions for public comment, preparation of proposed rule language, review of comments in response to rule proposals, drafting responses to comments, and preparation of rule text to be submitted to PUCT commissioners for consideration.

6.1. Deadlines. Specific interim deadlines for Deliverables will be analyzed, agreed upon, and finalized between the PUCT and Contractor no later than 30 calendar days after execution of this Contract or as set forth in the Work Plan pursuant to this SOW.

6.2. Grants for Facilities Outside of the ERCOT Power Region Rule. The Contractor must assist in the development of rules allowing applicants to seek and obtain grants to be used for transmission and distribution infrastructure and electric generation facilities inside Texas, but outside of the ERCOT power region as described in PURA § 34.0103.

6.2.1. Work Product: The contractor must provide a monthly report summarizing the support and assistance provided with respect to rules for Grants for Facilities Outside of the ERCOT Power Region

6.3. Loans for the ERCOT Power Region Rule. The Contractor must assist in the development of rules allowing applicants to seek and obtain loans to finance (1) upgrades to existing dispatchable electric generating facilities or (2) construction of new dispatchable electric generating facilities providing power for the ERCOT power region as described in PURA § 34.0104. The rules adopted under this program are likely to include a notice of intent mechanism whereby applicants must submit a pre-application notice as a condition of eligibility for a loan under this program. Without limitation, rules adopted under this program must include requirements applicable to borrower deposits described in PURA § 34.0104(g)-(j). The rules under this program will be adopted on a schedule that allows the PUCT to begin accepting applications no later than June 1, 2024. The PUCT has issued a

proposal for publication presenting a proposed rule for this program. The Contractor will be expected to develop program systems that can accommodate the PUCT's proposed rule. The Contractor will be expected to provide assistance in a timely manner to facilitate on-time adoption of the final rule.

6.3.1. Work Product: The contractor must provide a monthly report summarizing the support and assistance provided with respect to rules for Loans for the ERCOT Power Region.

6.4. Completion Bonus Grants Inside the ERCOT Power Region Rule. The Contractor must assist in the development of rules allowing applicants to seek and obtain completion bonus grants for the construction of qualifying dispatchable electric generating facilities in the ERCOT power region as described in PURA § 34.0105. Rules adopted under this program will incorporate standards and disbursement eligibility for grant recipients based on reliability metrics for facility performance described in PURA § 34.0105(i). The rules under this program must be adopted in time to meet the application and disbursement schedule described in PURA § 34.0105 and in Section 4 of this SOW. The Contractor will be expected to provide assistance in a timely manner to facilitate on-time adoption.

6.4.1. Work Product: The contractor must provide a monthly report summarizing the support and assistance provided with respect to rules for Completion Bonus Grants Inside the ERCOT Power Region.

6.5. Texas Backup Power Package Rule.

6.5.1. The Contractor must assist in the development of rules allowing applicants to seek and obtain grants and loans to be used fund the design, procurement, installation, and use of Texas backup power packages as described in PURA § 34.0204.

6.5.2. The Contractor must assist in the development of rules addressing procedures to expedite an electric utility interconnection request for a backup power package in accordance with PURA § 35.005(g).

6.5.3. Work Product: The contractor must provide a monthly report summarizing the support and assistance provided with respect to rules for the Texas Backup Power Package.

7. Application Walk Through, Applicant Communication, Information Access, and Reports

7.1. Deadlines. Specific deadlines for Deliverables will be analyzed, agreed upon, and finalized between the PUCT and Contractor no later than 30 calendar days after execution of this Contract or as set forth in the Work Plan pursuant to this SOW.

7.2. DELIVERABLE: Application System Review. For all programs described in Sections 2 through 5 of this SOW, the Contractor must do a "walk through" of each application system with the PUCT Contract Administrator and other PUCT staff at the direction of the PUCT Contract Administrator. The "walk through" must show each portion of the application system that an applicant will encounter, as if the PUCT Contract Administrator were completing an application. After the "walk through" the PUCT may provide feedback,

Contractor and PUCT will mutually agree to requested changes thereafter. The “walk through” should be done prior to User Acceptance Testing (UAT) and will be for the purpose of evaluating content, rather than usability. Upon completion of UAT, the system will be deemed to be accepted and shall be placed into production. Changes after UAT that cause a material financial impact to Contractor will be mutually agreed upon through the amendment process. Contractor will agree to address applicant facing system adjustments post UAT where the system is not performing as documented.

- 7.3. **DELIVERABLES: Applicant Guidance Materials.** The Contractor must develop guidance documents, materials, and tutorials to educate applicants for the programs described in this SOW. These materials must be consistent with PUCT rules adopted in accordance with SB 2627 programs. The Contractor must propose a schedule, as set forth in the Work Plan pursuant to this SOW, for development of these documents, to include review of drafts, feedback, and final approval by the PUCT Contract Administrator or designee.
- 7.4. **Data Repository and Access.** The Contractor must make data generated during its undertaking of this SOW timely available to the PUCT. Upon instruction from the PUCT, the Contractor must make any such data available to the Trust Company.
- 7.5. **Execution of Documents.** The Contractor must utilize a broadly accessible electronic signature system to facilitate the execution of applicant documents necessary to carry out the tasks described in this SOW. The system must not require applicants to purchase software or a subscription to use the electronic signature system.
- 7.6. **Information Security.** The Contractor must describe the procedures it will maintain to make sure the security of information collected in connection with the tasks described in this SOW.
- 7.7. **Development, Accessibility, and Usability of Electronic Application Systems.** The system must make sure the accessibility and usability of Electronic Application Systems. At a minimum, the system must:
 - 7.7.1. Meet applicable legal electronic accessibility requirements, to include 1 TAC chapters 206 and 213, and any other applicable requirements.
 - 7.7.2. Make sure and measure usability of Electronic Application Systems, to include minimizing down-time of systems, make sure web-based applications are functional on commonly used browsers, and other usability metrics the contractor will consider.
 - 7.7.3. **Work Product: Call Center Stand Up:** The Contractor must stand up the TEF program call center operations to respond to incoming inquiries for TEF programs, as defined in the Work Plan as described in this SOW, and providing technical and administrative support and information to applicants with respect to the status, completeness, and administrative deficiencies of their application. The Contractor will be responsible for training call center staff on the baseline knowledge regarding the application process and status of applications.

- 7.8. **DELIVERABLE: Annual TEF Cash Flow Report.** Beginning in 2024, the Contractor must annually prepare a report, as set forth in the Work Plan pursuant to this SOW, to be provided to the Trust Company providing a forecast of the cash flows into and out of the TEF. The Contractor must also provide updates to the forecasts as appropriate to make sure that the Trust Company is able to achieve its objective as described in PURA § 34.0107(b). The Contractor must provide a copy of this report to the PUCT and obtain PUCT approval before delivery to the Trust Company.
- 7.9. **Work Product: Monthly TEF Cash Flow Reports.** Beginning with the first disbursement from the TEF, the Contractor must prepare a monthly cashflow report for the PUCT showing actual flows into and out of the TEF, as set forth in the Work Plan pursuant to this SOW. The monthly report should also include rolling six-month and one-year cashflows forecast identifying amounts expected to be disbursed from the TEF and expected to be deposited into TEF.
- 7.10. **DELIVERABLE: SB 2627 Program Report.** Beginning in 2024, the Contractor must develop an annual report to the PUCT describing the status of SB 2627 programs, as set forth in the Work Plan pursuant to this SOW. Without limitation, this report should identify the number of applicants for each program; the number of awards for each program; the range and average of each award by program type; the type of electrical facility or upgrade supported by each award; the operation date of each facility supported by an award; the capacity increase attributable to loans awarded under PURA § 34.0104; and other information the PUCT determines is appropriate for tracking SB 2627 programs.
- 7.11. **Meetings.** The Contractor must participate in routine status meetings as determined by the PUCT and set forth in the Work Plan pursuant to this SOW, in connection with either of the four programs described above and in SB 2627.

8. Miscellaneous

- 8.1. **Compliance with Texas Contracting Laws.** As applicable, the Contractor must assist PUCT and its designated counsel in its efforts to make sure that all agreements developed and provided to the PUCT pursuant to this SOW comply with the Texas Comptroller of Public Accounts' State of Texas Procurement and Contract Management Guide in its most current format as of the time the agreement is developed.
- 8.2. **Compliance with Texas Grant Management Standards.** As applicable, the Contractor must in its performance of Services hereunder assist the PUCT in its efforts to make sure that all grant activity undertaken through SB 2627 programs meets the Texas Comptroller of Public Accounts' Texas Grant Management Standards in its most current format as of the time the agreement is developed.
- 8.3. **Required Grant and Loan Agreement Provisions.** All agreements developed by Contractor under supervision of PUCT counsel binding end-users of the SB 2627 programs must include provisions requiring compliance with applicable provisions of PURA Chapter 34.

- 8.4. Reporting to PUCT Commissioners, PUCT Management, and Advisory Committees. The Contractor must be available to deliver status reports to PUCT Commissioners and PUCT Management on an as-needed basis with reasonable notice. The Contractor must designate one personnel member to serve as the main point of contact for PUCT communications. A designated personnel member, or mutually agreed upon delegates, must be available throughout the term of the Contract to communicate with the PUCT on an as-needed basis. The Contractor must designate a personnel member to serve as a liaison to communicate with the Texas Energy Fund Advisory Committee established in PURA § 34.0109 as well as the Texas Backup Power Package Advisory Committee established under PURA § 34.0203(a). The Contractor has personnel available to attend each of the meetings of the Texas Energy Fund Advisory Committee and Texas Backup Power Package Advisory Committee.
- 8.5. Communications with PUCT Commissioners. The Contractor must comply with the Texas Open Meetings Act and legal restrictions on *ex parte* communications in all communications with PUCT commissioners and their advisors.
- 8.6. Transition of Services. This solicitation contemplates a contract term that will end before all work contemplated by SB 2627 is completed. The Contractor must develop a transfer plan to allow a new contractor to set up systems and processes to continue operations described in this SOW upon the selection of a new contractor, if any, or upon assumption of some or all of the contractual duties by PUCT staff.
- 8.7. Ownership of Data. The Contractor disclaims any ownership interest in applicant data accumulated while undertaking this Scope of Work.
- 8.8. Fraud Prevention. In undertaking tasks described in this SOW, the Contractor must take reasonably prudent steps to prevent fraudulent use of SB 2627 programs.
- 8.9. Funds Management Agreement. The Trust Company will require the Contractor to consent to the terms of their funds management agreement. This agreement is necessary to perform the work of the contract. Failure to execute a funds management agreement with the Trust Company will result in termination of the contract.
- 8.10. Reporting. The Contractor may be required to produce other reports on a regular or ad hoc basis to enable the PUCT to oversee the SB 2627 programs as set forth in the Work Plan pursuant to this SOW. The PUCT Contract Administrator will give directives for reports as the need arises and, whenever possible, will develop requirements for the reports in consultation with the Contractor in order to ensure they are not unduly burdensome and mutually agreeable. Depending on the nature of the report, it may be subject to the amendment process.
- 8.11. Deadlines and Liquidated Damages. Contractor's failure to meet certain deadlines as set forth in the Work Plan pursuant to this SOW would result in damages to the PUCT that would be difficult to determine a specific cost. Deadlines will not be considered met if work product does not meet the specifications as set forth in the Work Plan pursuant to this SOW, or specifications agreed upon in writing between Contractor and PUCT. Therefore, liquidated damages may be assessed, in the PUCT's sole discretion, at the following rates:

- 8.11.1. Deliverables with Statutorily Defined Deadlines: The PUCT may assess liquidated damages in the amount of \$10,000 per business day and not to exceed cumulative damages of \$500,000 in total for the June 1, 2024 deadline, and not to exceed cumulative damages of \$500,000 in total for the December 31, 2025 deadline. Deadlines to which the \$10,000 per business day damages apply are the two SB 2627 statutorily defined and required deadlines: 1) June 1, 2024 for Loans Within the ERCOT Region Application Open, and 2) December 31, 2025 Initial Loans Within the ERCOT Region initial loan disbursements for complete applications submitted by or before the application deadline is past due and the Contractor cannot show good cause for the delay or the cause for delay is within Contractor's control.
- 8.11.2. Deliverables without Statutorily Defined Deadlines: The PUCT may assess liquidated damages equal to \$5,000 for each week that a Deliverable without a statutorily required deadline is past-due, and Contractor cannot show good cause for the delay or the cause for delay is within Contractor's control.
- 8.11.2.1. The PUCT may assess liquidated damages under Phase 2 at a rate of \$500 per business day past due if an individual loan or grant applicant review and approval exceeds PUCT and Contractor agreed-upon award or fund disbursement deadlines and Contractor cannot show good cause for the delay or the cause for delay is within Contractor's control. The PUCT may assess liquidated damages under Phase 2 at a rate of \$50 per day past due per facility if Contractor fails to comply with the PUCT-approved Inspection Plan prior to funds disbursement and Contractor cannot show good cause for the delay or the cause for delay is within Contractor's control.
- 8.11.2.2. Anything set forth in this section 8.11.2, the following shall apply:
- 8.11.2.2.1. Contractor will not be liable for associated liquidated damages resulting in whole or in part from events, causes, or responsibilities that are outside of Contractor's direct control, including, but not limited to PUCT's (or its personnel, other Agencies, grants or loan recipients under the TEF programs, or other third party contractors) actions or inactions, failure by PUCT to meet its responsibilities, or as a result of events of force majeure as described in the Contract.
- 8.11.2.2.2. Except as otherwise described in section 8.11.1, the maximum aggregate amount of any liquidated damages that may be assessed under this Contract is 5% of the monthly fees paid in the respective month during which the liquidated damage is assessed. Any assessed liquidated damages shall be in lieu of actual damages and not as a penalty.
- 8.11.2.2.3. Liquidated damages shall only apply if assessed by PUCT within thirty (30) calendar days of the missed occurrence ("Assessment Period") and PUCT provides written notice to Contractor of the intent to assess liquidated damages at least five (5) calendar days after the Assessment Period ends and describes in detail the basis thereof and identifies the applicable event that has not been met.

8.11.2.2.4. In furtherance and not in limitation of paragraphs above, unscheduled downtime or delayed responses time resulting from infrastructure controlled and managed by State of Texas agencies or related entities will not be considered as a missed deadline event. Contractor is not accountable for the availability of hardware and software licensed and managed by employees or authorized vendor staff of State of Texas agencies or related entities or other PUCT partners.

Table: Deliverables and Work Products. This table is for illustrative purposes only, and is not intended to add, subtract, or modify any information from the narrative requirements or conditions described in this SOW.

Section	Product Name	SOW Description	Product Type	Due Date
1.2.1	Strategy Labs	Within 15 days of contract signing, the Contractor will facilitate an in-person working session with identified PUCT leaders to support alignment for the project, inform the design of program-specific criteria and outline internal governance processes. Four subsequent Program Strategy Labs will be agreed upon in the Project Work Plan.	Work Product	15 calendar days from Contract execution
1.2.2	Work Plans	Referencing section 1.2.1, the Contractor will submit a Project Work Plan to the PUCT within 15 days following the Strategy Lab that aligns Deliverable due dates to specific Deliverables and include milestones for work products that support Deliverables. In addition, the work plan will include requirements for the timing of PUCT input and decisions on specific Deliverables. Four subsequent Program Work Plans will be developed and agreed upon in the Project Work Plan.	Deliverable	15 calendar days following Strategy Lab
1.4.7.1	Facility Inspection Requirements	Contractor will develop a methodology and approach to carry out inspections required for facilities that receive loans or grants from each of the four programs of the TEF.	Work Product	As defined in Work Plan Deliverable
1.4.7.2	Facility Inspection Report	Contractor will provide an inspection report for each inspection completed in a format to be agreed and approved by the PUCT.	Work Product	As defined in Work Plan Deliverable
2.2.1	Program Materials and Guidelines	The Contractor will develop the program materials that include the policies, procedures, and/or operational guidelines to assist applicants applying to the program.	Work Product	As defined in Work Plan Deliverable
2.3.1	Configure and Deploy GovConnect for	The Contractor will configure and deploy its GovConnect system to receive applications and administer loans as described in 2.3.	Deliverable	15-May-24

	Loans for the ERCOT Power Region			
2.4.1	Rubric for Loans for the ERCOT Power Region	The Contractor will develop a recommended scoring rubric that PUCT can use to evaluate loan applications, as well as a supporting methodology that explains the approach and weightings of the specific scoring rubric. The Contractor will submit a final version of the recommended scoring rubric no later than March 1st, 2024. The PUCT will provide input and has final approval of the scoring rubric to be used.	Deliverable	1-Mar-24
2.4.2	Scoring Report	The Contractor will provide the PUCT with a report that describes the result of the scoring rubric for a specific application to support the PUCT's decision on whether to advance a loan application to due diligence.	Work Product	As defined in Work Plan Deliverable
2.4.3	Due Diligence Report	The Contractor will provide the PUCT with a due diligence report following the completion of loan due diligence that provides a summary of the loan application, and its merits and risks, pursuant to the scoring rubric. The due diligence report will assist the PUCT with its decision-making process. The Contractor will be available to answer specific questions from the PUCT to support their decision-making following loan due diligence.	Work Product	As defined in Work Plan Deliverable
2.5.2.1	Notification System	The Contractor using the GovConnect system will develop notifications to assist the PUCT in sending to the borrower.	Deliverable	As defined in Work Plan Deliverable
2.5.2.2	Quarterly Report	The Contractor will produce a quarterly report on the status of the borrower's compliance with the loan agreement once the project has reached commercial operations. This report may include covenant compliance requirements, such as a debt service coverage ratio, minimum liquidity ratio, leverage ratios among others based on the credit quality of the applicant. The Contractor will provide this quarterly report to the PUCT for their review and approval.	Work Product	As defined in Work Plan Deliverable
2.5.2.3	Loans for the ERCOT Power Region Annual Report	The Contractor will produce an annual report, as set forth in the Work Plan pursuant to this SOW, for each loan that describes the current state of the borrower or funded project, and highlights risks the project may face to performing under the loan agreement.	Work Product	As defined in Work Plan Deliverable

2.5.2.4	Trust Company Financial Process	The Contractor will develop a process that assists the Trust Company in tracking principal and interest payments from borrowers under the TEF, as well as planned cash disbursements to borrowers.	Deliverable	As defined in Work Plan Deliverable
2.5.3.1	Monthly Construction Status Report	The Contractor will produce a monthly report on the status of the borrower during the construction of the project, using information provided by the borrower. The Contractor will present this monthly report to the PUCT for its review and approval that the borrower is in compliance with the loan agreement, has reached specific milestones, and to approve disbursements of future draws under the loan facility. The Contractor will develop a process to provide the monthly report to PUCT for its approval.	Work Product	As defined in Work Plan Deliverable
2.5.4.1	Borrower Deposit Process	The Contractor will develop a process and instructions for borrowers on how to transfer their borrower deposit into an escrow account maintained by the Comptroller.	Work Product	As defined in Work Plan Deliverable
2.5.5.1	Borrower Withdrawals or Transfers Process	The Contractor will develop a process for the Comptroller to notify the borrower that deposits are available for withdrawal or transfer.	Work Product	As defined in Work Plan Deliverable
2.5.6.1	Loan Default Report	The Contractor will use the information provided by the borrower and the quarterly reports to inform the PUCT of conditions that may be the basis of an event of default.	Work Product	As defined in Work Plan Deliverable
2.6	Loan Closeout Guidelines	The Contractor will work with PUCT to include recommended loan terms in the loan agreement Loan Closeout Process. The Contractor will work with the PUCT to design a loan closeout process to be completed for each borrower when all of the following have been completed for the loan: all funds are disbursed; all funds have been repaid; and all other loan-recipient responsibilities are completed.	Work Product	As defined in Work Plan Deliverable
2.6.1	Closeout Process	The Contractor will develop a loan closeout process	Work Product	As defined in Work Plan Deliverable
2.7.1	ERCOT Loan Award Notification Report	The Contractor will develop a report to notify ERCOT that a loan application was awarded by the TEF for a project, including relevant information such as the schedule and capacity of the project.	Work Product	As defined in Work Plan Deliverable
2.8	ERCOT Interconnection	The Contractor will produce a report to notify ERCOT that a project which received a loan from the TEF has reached substantial	Work Product	As defined in Work Plan Deliverable

	Notification Report	completion so that ERCOT may begin any activity to facilitate interconnection of the facility.		
2.9.1	Draft Loan Agreement	The Contractor will develop draft loan agreements, under supervision of PUCT counsel, that the PUCT will use as a starting point for negotiations with loan applicants. The Contractor is not a licensed attorney and recommends that the PUCT contract directly with counsel or designate internal counsel to serve in this capacity during loan negotiations.	Deliverable	As defined in Work Plan Deliverable
3.1	Program Policies, Procedures and Operational Guidelines	Contractor will develop recommended program policies, procedures and operational guidelines for PUCT review and approval 30 days prior to program go-live, and in cooperation with PUCT will update such policies, procedures and operational guidelines periodically during program lifecycle.	Deliverable	As defined in Work Plan Deliverable
3.2	Configure and Deploy GovConnect for Grants for Facilities Outside of the ERCOT Power Region	The contractor will develop an application for the program that complies with the requirements outlined in 3.2 of this SOW and as set forth in the Work Plan pursuant to this SOW.	Deliverable	15-May-24
3.3	Rubric for Grants for Facilities Outside of the ERCOT Power Region	The Contractor will prepare a recommended scoring rubric that complies with the requirements of 3.3 of this SOW and agreed in the Work Plan.	Deliverable	As defined in Work Plan Deliverable
3.4.1.1	Draft Grant Agreement	The Contractor will develop draft grant agreement, under supervision of PUCT counsel, that complies with 3.4.1 of this SOW that the PUCT will use as a starting point for negotiations with grant applicants. The Contractor is not a licensed attorney and recommends that the PUCT contract directly with counsel or designate internal counsel to serve in this capacity during grant negotiations.	Deliverable	As defined in Work Plan Deliverable
3.4.2	Grant Noncompliance Report	The Contractor will create a process to report events of grant agreement noncompliance, in accordance with approved program policies and guidelines, to the PUCT such that the PUCT can exercise any noncompliance remedies described in the grant agreement.	Work Product	As defined in Work Plan Deliverable

3.4.4.1	Trust Company Draft Payment Process	The contractor will develop a payment process outline that complies with 3.4.3 and 3.4.4 of this scope of work that is mutually agreed upon with the Trust Company. This payment process will include a reconciliation of cash flows between the two entities.	Deliverable	As defined in Work Plan Deliverable
3.4.4.2	Trust Company Electronic Repository	The contractor will develop a secure electronic repository for grant application and monitoring data as well as those reports developed on that data.	Deliverable	As defined in Work Plan Deliverable
3.5.1	Closeout Process	The contractor will develop a closeout process for each grant and loan program.	Work Product	As defined in Work Plan Deliverable
4.2.1	Configure and Deploy GovConnect for Completion Bonus Grants Inside the ERCOT Power Region	The Contractor will configure and deploy its GovConnect system to receive applications and administer grants as described in 4.2.	Deliverable	15-May-24
4.3.1.1	Rubric for Completion Bonus Grants Inside the ERCOT Power Region	The Contractor will prepare a recommended scoring rubric that complies with the requirements of 4.3.1 of this SOW.	Deliverable	1-Mar-24
4.3.2	Scoring Report	The Contractor will provide the PUCT with a report that describes the result of the scoring rubric on a specific completion bonus grant application to assist the PUCT's decision on whether to advance a completion bonus grant application to due diligence.	Work Product	As defined in Work Plan Deliverable
4.4.1.1	Annual Facility Performance Report	The Contractor will provide annual facility performance report based upon grant recipient supplied information to the PUCT for its approval of bonus grant payments.	Work Product	As defined in Work Plan Deliverable
4.5.1.1	Draft Grant Agreement	The Contractor will develop draft grant agreement, under supervision of PUCT counsel, that complies with 4.5 of this SOW that the PUCT will use as a starting point for negotiations with grant applicants. The Contractor is not a licensed attorney and recommends that the PUCT contract directly with counsel or designate internal counsel to serve in this capacity during grant negotiations.	Work Product	As defined in Work Plan Deliverable
4.5.1.2	Trust Company Draft Payment Process	The contractor will develop a payment process outline that is mutually agreed upon with the Texas Safekeeping Trust Company. This payment process will include a	Work Product	As defined in Work Plan Deliverable

		reconciliation of cash flows between the two entities.		
4.5.1.3	Compliance Monitoring Process	The contractor will develop a compliance monitoring process that accounts for the differences in each loan and grant program.	Work Product	As defined in Work Plan Deliverable
4.5.2.1	ERCOT Grant Award Notification Report	The Contractor will develop a report to notify ERCOT that a grant application was awarded by the TEF for a project, including relevant information such as the schedule and capacity of the project.	Work Product	As defined in Work Plan Deliverable
4.6.1	Closeout Process	The contractor will develop a draft closeout process for each grant and loan program.	Work Product	As defined in Work Plan Deliverable
5.2.1	Configure and Deploy GovConnect for Texas Backup Power Package	The Contractor will develop an electronic application system, using GovConnect, for grants and loans under this program pursuant to 5.2 requirements.	Deliverable	As defined in Work Plan Deliverable
5.4.1.1	Compliance Monitoring Process	The contractor will develop a compliance monitoring process that accounts for the differences in each loan and grant program.	Work Product	As defined in Work Plan Deliverable
5.4.2.2	Draft Grant Agreement	The Contractor will develop draft grant agreements, under supervision of PUCT counsel, that complies with 5.4.1.1. of this SOW that the PUCT will use as a starting point for negotiations with grant applicants. The Contractor is not a licensed attorney and recommends that the PUCT contract directly with counsel or designate internal counsel to serve in this capacity during grant negotiations.	Work Product	As defined in Work Plan Deliverable
5.4.2.3	Trust Company Financial Process	The contractor will develop a payment process outline that is mutually agreed upon with the Texas Safekeeping Trust Company. This payment process will include a reconciliation of cash flows between the two entities.	Work Product	As defined in Work Plan Deliverable
5.4.4.3.1	Draft Loan Agreement	The Contractor will develop draft loan agreements, under supervision of PUCT counsel, that comply with 5.4.3 – 5.4.3.3. of this SOW that the PUCT will use as a starting point for negotiations with loan applicants. The Contractor is not a licensed attorney and recommends that the PUCT contract directly with counsel or designate internal counsel to serve in this capacity during grant negotiations.	Work Product	As defined in Work Plan Deliverable
5.4.4.3.2	Trust Company Financial Process	The contractor will develop a payment process outline that is mutually agreed upon with the Texas Safekeeping Trust Company.	Work Product	As defined in Work Plan Deliverable

		This payment process will include a reconciliation of cash flows between the two entities.		
5.4.6.1	Closeout Process	The contractor will develop a closeout process for each grant and loan program. This includes a process for sale of assets after default where applicable.	Work Product	As defined in Work Plan Deliverable
5.7.1	Report to Electric Utility for Facility Interconnect	The Contractor will develop a report to notify the applicable electric utility that a grant or loan application was awarded by the TEF for a project, including relevant information such as the schedule and capacity of the project.	Work Product	As defined in Work Plan Deliverable
6.2.1	Monthly Rulemaking Support Report	The contractor will provide a monthly report summarizing the support and assistance provided with respect to rules for Grants for Facilities Outside of the ERCOT Power Region.	Work Product	As defined in Work Plan Deliverable
6.3.1	Monthly Rulemaking Support Report	The contractor will provide a monthly report summarizing the support and assistance provided with respect to rules for Loans for the ERCOT Power Region.	Work Product	As defined in Work Plan Deliverable
6.4.1	Monthly Rulemaking Support Report	The contractor will provide a monthly report summarizing the support and assistance provided with respect to rules for Completion Bonus Grants Inside the ERCOT Power Region.	Work Product	As defined in Work Plan Deliverable
6.5.3	Monthly Rulemaking Support Report	The contractor will provide a monthly report summarizing the support and assistance provided with respect to rules for the Texas Backup Power Package.	Work Product	As defined in Work Plan Deliverable
7.2	Application System Review	Application System Review. For all programs described in Sections 2 through 5 of this SOW, the Contractor must do a “walk through” of each application system with the PUCT Contract Administrator and other PUCT staff at the direction of the PUCT Contract Administrator. The “walk through” must show each portion of the application system that an applicant will encounter, as if the PUCT Contract Administrator were completing an application. After the “walk through” the PUCT may provide feedback to the Contractor and may require changes to the application system. The “walk through” should be done prior to User Acceptance Testing (UAT) and will be for the purpose of evaluating content, rather than usability. Upon completion of UAT, the system will be deemed to be accepted and shall be placed into production. Changes after UAT will be	Deliverable	As defined in Work Plan Deliverable

		mutually agreed upon through the amendment process.		
7.3	Applicant Guidance Materials	Applicant Guidance Materials. The Contractor must develop guidance documents, materials, and tutorials to educate applicants for the programs described in this SOW. These materials must be consistent with PUCT rules adopted in accordance with SB 2627 programs. The Contractor must propose a schedule for development of these documents, to include review of drafts, feedback, and final approval by the PUCT Contract Administrator or designee.	Deliverable	As defined in Work Plan Deliverable
7.5	Execution of Documents System	Execution of Documents. The Contractor must utilize a broadly accessible electronic signature system to facilitate the execution of applicant documents necessary to carry out the tasks described in this SOW. The system must not require applicants to purchase software or a subscription to use the electronic signature system.	Deliverable	As defined in Work Plan Deliverable
7.6	Information Security Procedures	Information Security. The Contractor must describe the procedures it will maintain to ensure the security of all information collected in connection with the tasks described in this SOW.	Deliverable	As defined in Work Plan Deliverable
7.7	Development, Accessibility, and Usability of GovConnect and Call Center	Development, Accessibility, and Usability of Electronic Application Systems. The system must ensure accessibility and usability of Electronic Application Systems. At a minimum, the system must: 7.7.1. Meet applicable legal electronic accessibility requirements, to include 1 TAC chapters 206 and 213, and any other applicable requirements. 7.7.2. Ensure and measure usability of Electronic Application Systems, to include minimizing down-time of systems, ensuring web-based applications are functional on commonly used browsers, and any other usability metrics the contractor will consider.	Deliverable	As defined in Work Plan Deliverable
7.7.3	Call Center Stand Up	Call Center Stand Up: The Contractor will stand up the TEF program call center operations to respond to incoming calls for TEF Grants Outside of ERCOT and Backup Power Package programs. The Contractor will be responsible for training call center staff on the baseline knowledge regarding the application process and status of applications.	Deliverable	As defined in Work Plan Deliverable

7.8	Annual TEF Cash Flow Report	Annual TEF Cash Flow Report. Beginning in 2024, the Contractor must annually prepare a report, as set forth in the Work Plan pursuant to this SOW, to be provided to the Trust Company providing a forecast of the cash flows into and out of the TEF. The Contractor must also provide updates to the forecasts as appropriate to ensure that the Trust Company is able to achieve its objective as described in PURA § 34.0107(b). The Contractor must provide a copy of this report to the PUCT and obtain PUCT approval before delivery to the Trust Company.	Deliverable	As defined in Work Plan Deliverable
7.9	Monthly TEF Cash Flow Reports	Monthly TEF Cash Flow Reports. Beginning with the first disbursement from the TEF, the Contractor will prepare a monthly cashflow report for the PUCT showing actual flows into and out of the TEF, as set forth in the Work Plan pursuant to this SOW. The monthly report should also include rolling six-month and one-year cashflows forecast identifying amounts expected to be disbursed from the TEF and expected to be deposited into TEF.	Work Product	As defined in Work Plan Deliverable
7.10	SB 2627 Program Report	SB 2627 Program Report. Beginning in 2024, the Contractor will develop an annual report to the PUCT describing the status of all SB 2627 programs, as set forth in the Work Plan pursuant to this SOW. Without limitation, this report should identify the number of applicants for each program; the number of awards for each program; the range and average of each award by program type; the type of electrical facility or upgrade supported by each award; the operation date of each facility supported by an award; the capacity increase attributable to loans awarded under PURA § 34.0104; and any other information the PUCT determines is appropriate for tracking SB 2627 programs.	Deliverable	As defined in Work Plan Deliverable

**AMENDMENT 1
TO
CONTRACT NO. 473-23-00008a
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
DELOITTE & TOUCHE LLP**

The parties to Contract 473-23-00008a, namely the Public Utility Commission of Texas (PUCT) and Deloitte & Touche LLP (Contractor) hereby agree to amend Contract 473-23-00008a, as specified herein, to authorize Contractor to utilize Harte Hanks as a subcontractor to provide customer care operations support by providing telephone agents for each 30-minute interval of call center operation to answer, diagnose, create ticket cases, and resolve or properly transfer customer calls as required by Contract 473-23-00008a.

Article 1. SCOPE OF AMENDMENT

All provisions of Contract 473-23-00008a, including, but not limited to the services, compensation, term, and the parties' respective duties specified therein, will remain unchanged, except as specifically modified by this Amendment 1. Further, Contractor shall remain subject to all provisions of Contract 473-23-00008a, including, but not limited to Articles 11.1, 18.12, and 19.9, and will include any provisions required by Contract 473-23-00008a in any written agreement entered into between Contractor and Harte Hanks.

Article 2. EFFECTIVE DATE

This Amendment 1 is effective as of the date the last party signs.

Article 3. AMENDED PROVISIONS

By agreement of the parties, Article 5.1 of Contract No. 473-23-00008a is modified as follows:

5.1 Use of Subcontractors. The parties acknowledge and agree that, at the time of execution of this contract, Contractor intends to perform the Services required under this Contract using the following subcontractors: Bocci Engineering, EEPlus, Kiewit, Stanley Consultants, Electric Power Engineers, Olsson, Mario DePilis, APTIM, *and Harte Hanks*. Contractor will notify the PUCT contract administrator of any other proposed subcontract and will work with the PUCT HUB Coordinator to procure such other subcontractor and to submit appropriate subcontractor selection documentation for approval prior to engaging any other subcontractor, such approval not to be unreasonably withheld. Any subcontract not contemplated at the initiation of this contract and any subsequent substitution of a subcontractor must be approved by an amendment according to the terms of Article 7.

All other provisions of Article 5 of Contract No. 473-23-00008a remain unchanged.

Article 4. ENTIRE AGREEMENT

Contract No. 473-23-00008a, the attachments referred to in Contract No. 473-23-00008a, and this Amendment 1, constitute the full and entire agreement and understanding between the parties and supersede and merge all prior discussions, writings, negotiations, understandings, and agreements

concerning the provision of the services of Contract No. 473-23-0008a. Any terms and conditions attached to a solicitation will not be considered unless incorporated into Contract No. 473-23-0008a by specific reference.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this Amendment 1, effective as of the date of the last party's signature.

The Public Utility Commission of Texas

By:



Connie Corona
Interim Executive Director

Date Signed: 5/22/24

Contractor

By:



Chris Hill
Managing Director

Date Signed: 5/28/24

**AMENDMENT 2
TO
CONTRACT NO. 473-23-00008a
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
DELOITTE & TOUCHE LLP**

The parties to Contract 473-23-00008a, namely the Public Utility Commission of Texas (PUCT) and Deloitte & Touche LLP (Contractor) hereby agree to amend Contract 473-23-00008a, as specified herein, to include an additional pricing structure to compensate Contractor for additional loan application and due diligence review, as approved by Commission Order on July 11, 2024, in PUCT Docket Number 55562.

Article 1. SCOPE OF AMENDMENT

All provisions of Contract 473-23-00008a, including Amendment 1, will remain unchanged, and Contractor shall remain subject to all provisions of Contract 473-23-00008a, including Amendment 1, except as specifically modified in this Amendment 2.

Article 2. EFFECTIVE DATE

This Amendment 2 is effective as of the date the last party signs.

Article 3. AMENDED PROVISIONS

By agreement of the parties, Article 2.1 of Contract No. 473-23-00008a is modified as follows:

2.1 Compensation. Contractor agrees to provide all Services (including labor, expenses, and any other services) described in the Statement of Work, in exchange for compensation as follows:

- Total compensation for the initial four-year term of the contract will not exceed \$107,414,000.00 unless amended pursuant to Article 7 this Contract.
- Compensation will be paid monthly at the rate defined in the table below (subject to re-calculation as described herein) from the sum of the following components: Base Price for Startup System Development and Program Monitoring; Loan Application Evaluation and Due Diligence Price; and Grant Administration Price. Notwithstanding the foregoing, Contractor may submit an invoice for Services performed during a partial period of the month at a pro-rata rate.

	Startup	Base	Loans	Grants	YR Total	Monthly
Y1	\$ 8,462,176.06	\$ 4,020,955.98	\$ 8,762,000.00	\$ 776,900.00	\$ 22,022,032.05	\$ 1,835,169.34
Y2	\$ -	\$ 4,020,955.98	\$ 6,571,500.00	\$ 3,107,600.00	\$ 13,700,055.98	\$ 1,141,671.33
Y3	\$ -	\$ 4,020,955.98	\$ 4,381,000.00	\$ 2,330,700.00	\$ 10,732,655.98	\$ 894,388.00
Y4	\$ -	\$ 4,020,955.98	\$ 2,190,500.00	\$ 1,553,800.00	\$ 7,765,255.98	\$ 647,104.67

- The total Base Price for Startup System Development and Program Monitoring will be \$24,546,000.

- The Loan Application Evaluation and Due Diligence Price will be paid according to the following tiers.
 - Tier 1: If the number of loan applications received during the course of the contract are fewer than 30, and the number of loans that enter Due Diligence is equal to or less than 10, the total Loan Application Evaluation and Due Diligence Price will be \$21,905,000.
 - Tier 2: If the number of loan applications received during the course of the contract are between 30 and 39, or the number of loans that enter Due Diligence are equal to or fewer than 15, but greater than 10, the total Loan Application Evaluation and Due Diligence Price will be \$29,664,000.
 - Tier 3: If the number of loan applications received during the course of the contract are between 40 and 50, or the number of loans that enter Due Diligence are equal to or fewer than 20, but greater than 15, the total Loan Application Evaluation and Due Diligence Price will be \$37,420,000.
 - Tier 4: If the number of loan applications received during the course of the contract exceed 50, regardless of the number of loans that enter Due Diligence, the additional Loan Application Evaluation Price will be \$1,750,000 per bundle of 10 additional applications.
 - Tier 5: If the number of loans that enter Due Diligence exceed 20, regardless of the number of loan applications received, the additional Due Diligence Price will be \$10,500,000 per bundle of 5 additional applications entering Due Diligence.
 - For clarity, bundled Tiers 4 and 5 may only be utilized in conjunction with Tier 3.
 - For the purposes of calculating compensation owed, Backup Power Package Loans will be counted as Grants, provided that: (i) the debt quantum is less than \$2,500,000; (ii) the borrower is not a special purpose vehicle for such Backup Power Package Loans; (iii) the loan has an amortization of less than 3 years; and (iv) the loan is not in default.
- The Grant Administration Price will be paid according to the following tiers.
 - Tier 1: If the number of grant applications submitted during the course of the contract are equal to or fewer than 2,000, and the number of grants Awarded are equal to or fewer than 1,700 the total Grant Administration Price will be \$7,769,000.
 - Tier 2: If the number of grant applications submitted during the course of the contract are between 2,001 and 3,000, or the number of grants

awarded are equal to or fewer than 2,550, but greater than 1,700, the total Grant Administration Price will be \$9,108,000.

- Tier 3: If the number of grant applications submitted during the course of the contract are between 3,001 and 4,000, or the number of grants awarded are equal to or fewer than 3,400, but greater than 2,550, the total Grant Administration Price will be \$10,448,000.
- Before loan and grant applications are received, compensation will be paid each month at a rate assuming the lowest tier of both the Loan Application Evaluation and Due Diligence Price and the loan and the Grant Administration Price (i.e., \$21,905,000, and \$7,769,000, respectively).
- As loans and grants are received, if the number of loans or grants received increases into a higher tier of compensation, the Contractor must provide a re-calculation of the total contract price for the initial four years of the contract based upon the current total loan and grant applications received. The PUCT will instruct the Trust Company to pay future monthly payments at an agreed upon rate based upon the new total compensation tier and the payment schedule table included in this Section. Additionally, the re-calculation must include the payment amount compensating the Contractor for the difference in the higher monthly rate and the rate previously paid during the months prior to the receipt of the number of loan or grant applications that necessitated the higher tier of payment, which the PUCT will instruct the Trust Company to pay.

Contractor understands that the PUCT is not responsible for payment of any costs or expenses exceeding the amounts described in this Article 2.1. In the event of any delay that is beyond the reasonable control, including failure by the PUCT to meet its obligations under this Contract or a Statement of Work, or failure of an assumption listed in the Statement of Work that creates a delay or adversely impacts Contractor's cost to perform the Services, Contractor will be entitled to an equitable adjustment to scope, cost and schedule via an amendment.

If Contractor believes that changes in the scope of Services to be performed will require Contractor to increase its fee, it must request the PUCT's written authorization to increase its fee. Contractor must document the changes in the scope of Services and why they will require additional effort. The PUCT must approve the increase in fee by written amendment to this contract before Contractor performs any Services or may invoice the increased fee. If such amendment is not mutually agreed to within a reasonable period (e.g., 30 days) of Contractor's notification to the PUCT of such impact, Contractor may suspend the Services upon written notice to the PUCT.

All other provisions of Article 2 of Contract No. 473-23-00008a remain unchanged.

Article 4. ENTIRE AGREEMENT

Contract No. 473-23-00008a, the attachments referred to in Contract No. 473-23-00008a, Amendment 1, and this Amendment 2, constitute the full and entire agreement and understanding between the parties and supersede and merge all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of the services of Contract No. 473-23-00008a. Any terms and conditions attached to a solicitation will not be considered unless incorporated into Contract No. 473-23-00008a by specific reference.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this Amendment 2, effective as of the date of the last party's signature.

The Public Utility Commission of Texas

By:

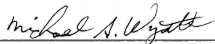


Connie Corona
Executive Director

Date Signed: 7/25/24

Contractor

By:



Michael Wyatt
Principal

Date Signed: 7/25/24

**AMENDMENT 3
TO
CONTRACT NO. 473-23-00008a
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
DELOITTE & TOUCHE LLP**

The parties to Contract 473-23-00008a, namely the Public Utility Commission of Texas (PUCT) and Deloitte & Touche LLP (Contractor) hereby agree to amend Contract 473-23-00008a, as specified herein.

Article 1. SCOPE OF AMENDMENT

All provisions of Contract 473-23-00008a, including Amendments 1 and 2, will remain unchanged, and Contractor shall remain subject to all provisions of Contract 473-23-00008a and its attachments, including Amendments 1 and 2, except as specifically modified in this Amendment 3.

Article 2. EFFECTIVE DATE

This Amendment 3 is effective as of the date the last party signs.

Article 3. AMENDED PROVISIONS

By agreement of the parties, Article 2.1 of Contract No. 473-23-00008a is modified as follows:

2.1 Compensation. Contractor agrees to provide all Services (including labor, expenses, and any other services) described in the Statement of Work, in exchange for compensation as follows:

- Total compensation for the initial four-year term of the contract will not exceed \$100,114,000.00 unless amended pursuant to Article 7 of this Contract.
- Compensation will be paid monthly at the rate defined in the table below (subject to re-calculation as described herein) from the sum of the following components: Base Price for Startup System Development and Program Monitoring; Loan Application Evaluation and Due Diligence Price; and Grant Administration Price. Notwithstanding the foregoing, Contractor may submit an invoice for Services performed during a partial period of the month at a pro-rata rate.

	Startup	Base	Loans	Grants	YR Total	Monthly
Y1	\$ 8,462,176.06	\$ 4,020,955.98	\$ 8,762,000.00	\$ 776,900.00	\$ 22,022,032.05	\$ 1,835,169.34
Y2	\$ -	\$ 4,020,955.98	\$ 6,571,500.00	\$ 3,107,600.00	\$ 13,700,055.98	\$ 1,141,671.33
Y3	\$ -	\$ 4,020,955.98	\$ 4,381,000.00	\$ 2,330,700.00	\$ 10,732,655.98	\$ 894,388.00
Y4	\$ -	\$ 4,020,955.98	\$ 2,190,500.00	\$ 1,553,800.00	\$ 7,765,255.98	\$ 647,104.67

- The total Base Price for Startup System Development and Program Monitoring will be \$24,546,000.

- The Loan Application Evaluation and Due Diligence Price will be paid according to the following tiers.

- Tier 1: If the number of loan applications received during the course of the contract are fewer than 30, and the number of loans that enter Due Diligence is equal to or less than 10, the total Loan Application Evaluation and Due Diligence Price will be \$21,905,000.
- Tier 2: If the number of loan applications received during the course of the contract are between 30 and 39, or the number of loans that enter Due Diligence are equal to or fewer than 15, but greater than 10, the total Loan Application Evaluation and Due Diligence Price will be \$29,664,000.
- Tier 3: If the number of loan applications received during the course of the contract are between 40 and 50, or the number of loans that enter Due Diligence are equal to or fewer than 20, but greater than 15, the total Loan Application Evaluation and Due Diligence Price will be \$37,420,000.
- Tier 4: If the number of loan applications received during the course of the contract exceed 50, regardless of the number of loans that enter Due Diligence, the additional Loan Application Evaluation Price will be \$1,750,000 per bundle of 10 additional applications.
- Tier 5: If the number of loans that enter Due Diligence exceed 20, regardless of the number of loan applications received, the additional Due Diligence Price will be \$10,500,000 per bundle of 5 additional applications entering Due Diligence.
- For clarity, bundled Tiers 4 and 5 may only be utilized in conjunction with Tier 3.
- For the purposes of calculating compensation owed, Backup Power Package Loans will be counted as Grants, provided that: (i) the debt quantum is less than \$2,500,000; (ii) the borrower is not a special purpose vehicle for such Backup Power Package Loans; (iii) the loan has an amortization of less than 3 years; and (iv) the loan is not in default.

- The Grant Administration Price will be paid according to the following tiers.

- Tier 1: If the number of grant applications submitted during the course of the contract are equal to or fewer than 2,000, and the number of grants Awarded are equal to or fewer than 1,700 the total Grant Administration Price will be \$7,769,000.
- Tier 2: If the number of grant applications submitted during the course of the contract are between 2,001 and 3,000, or the number of grants

awarded are equal to or fewer than 2,550, but greater than 1,700, the total Grant Administration Price will be \$9,108,000.

- Tier 3: If the number of grant applications submitted during the course of the contract are between 3,001 and 4,000, or the number of grants awarded are equal to or fewer than 3,400, but greater than 2,550, the total Grant Administration Price will be \$10,448,000.
- Before loan and grant applications are received, compensation will be paid each month at a rate assuming the lowest tier of both the Loan Application Evaluation and Due Diligence Price and the loan and the Grant Administration Price (i.e., \$21,905,000, and \$7,769,000, respectively).
- As loans and grants are received, if the number of loans or grants received increases into a higher tier of compensation, the Contractor must provide a re-calculation of the total contract price for the initial four years of the contract based upon the current total loan and grant applications received. The PUCT will instruct the Trust Company to pay future monthly payments at an agreed upon rate based upon the new total compensation tier and the payment schedule table included in this Section. Additionally, the re-calculation must include the payment amount compensating the Contractor for the difference in the higher monthly rate and the rate previously paid during the months prior to the receipt of the number of loan or grant applications that necessitated the higher tier of payment, which the PUCT will instruct the Trust Company to pay.

Contractor understands that the PUCT is not responsible for payment of any costs or expenses exceeding the amounts described in this Article 2.1. In the event of any delay that is beyond the reasonable control, including failure by the PUCT to meet its obligations under this Contract or a Statement of Work, or failure of an assumption listed in the Statement of Work that creates a delay or adversely impacts Contractor's cost to perform the Services, Contractor will be entitled to an equitable adjustment to scope, cost and schedule via an amendment.

If Contractor believes that changes in the scope of Services to be performed will require Contractor to increase its fee, it must request the PUCT's written authorization to increase its fee. Contractor must document the changes in the scope of Services and why they will require additional effort. The PUCT must approve the increase in fee by written amendment to this contract before Contractor performs any Services or may invoice the increased fee. If such amendment is not mutually agreed to within a reasonable period (e.g., 30 days) of Contractor's notification to the PUCT of such impact, Contractor may suspend the Services upon written notice to the PUCT.

All other provisions of Article 2 of Contract No. 473-23-00008a remain unchanged.

Reduction of Fees

Notwithstanding any other provision of Contract No. 473-23-00008a, its attachments, and Amendments 1 and 2, the Contractor agrees that it will provide a reduction of \$7,300,000.00 from its fees for its performance under the contract. The parties agree that this reduction will be effectuated by reducing the monthly invoiced amounts submitted by Contractor to the PUCT as follows: for the first month, for services rendered in October 2024 (invoiced in November 2024, to be paid by PUCT in December 2024), a reduction of \$2,300,000.00 in the invoiced amount, and for each of the following five months thereafter, a reduction of \$1,000,000.00 in the invoiced amounts, for reduced payments totaling \$7,300,000.00 for invoiced services for the time period of October 2024 through March 2025.

Article 4. ENTIRE AGREEMENT

Contract No. 473-23-00008a, the attachments referred to in Contract No. 473-23-00008a, Amendments 1 and 2, and this Amendment 3, constitute the full and entire agreement and understanding between the parties and supersede and merge all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of the services of Contract No. 473-23-00008a. Any terms and conditions attached to a solicitation will not be considered unless incorporated into Contract No. 473-23-00008a by specific reference.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this Amendment 3, effective as of the date of the last party's signature.

The Public Utility Commission of Texas

By:



Connie Corona

Executive Director

Date Signed: 10/15/24

Contractor

By:



Michael Wyatt

Principal

Date Signed: 10/14/2024

**AMENDMENT 4
TO
CONTRACT NO. 473-23-00008a
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
DELOITTE & TOUCHE LLP**

The parties to Contract 473-23-00008a, namely the Public Utility Commission of Texas (PUCT) and Deloitte & Touche LLP (Contractor) hereby agree to amend Contract 473-23-00008a to authorize Contractor to utilize Aon Risk Consultants Inc., a lender assurance and risk management vendor, to provide insurance due diligence review, insurance and risk management risk assessments, and applicant contracts review related to insurance due diligence assessments in support of Contract No. 473-23-00008a services.

Article 1. SCOPE OF AMENDMENT

All provisions of Contract 473-23-00008a, including Amendments 1, 2, and 3, will remain unchanged, and Contractor shall remain subject to all provisions of Contract 473-23-00008a and its attachments, including Amendments 1, 2 and 3, except as specifically modified in this Amendment 4. Further, Contractor will include any provisions required by Contract 473-23-00008a in any written agreement entered into between Contractor and Aon Risk Consultants Inc.

Article 2. EFFECTIVE DATE

This Amendment 4 is effective as of the date the last party signs.

Article 3. AMENDED PROVISIONS

By agreement of the parties, Article 5 of Contract No. 473-23-00008a is modified as follows:

5.1 Use of Subcontractors. The Parties acknowledge and agree that, at the time of execution of this contract, Contractor intends to perform the Services required under this Contract using the following subcontractors: Bocci Engineering, EEPlus, Kiewit, Stanley Consultants, Electric Power Engineers, Olsson, Mario DePilis, APTIM, Harte Hanks, and *Aon Risk Consultants, Inc.* Contractor will notify the PUCT contract administrator of any other proposed subcontract and will work with the PUCT HUB Coordinator to procure such other subcontractor and to submit appropriate subcontractor selection documentation for approval prior to engaging any other subcontractor, such approval not to be unreasonably withheld. Any subcontract not contemplated at the initiation of this contract and any subsequent substitution of a subcontractor must be approved by an amendment according to the terms of Article 7.

All other provisions of Article 5 of Contract No. 473-23-00008a remain unchanged.

Article 4. ENTIRE AGREEMENT

Contract No. 473-23-00008a, the attachments referred to in Contract No. 473-23-00008a, Amendments 1, 2, and 3, and this Amendment 4, constitute the full and entire agreement and understanding between the parties and supersede and merge all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of the services of Contract

No. 473-23-0008a. Any terms and conditions attached to a solicitation will not be considered unless incorporated into Contract No. 473-23-0008a by specific reference.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this Amendment 4, effective as of the date of the last party's signature.

The Public Utility Commission of Texas

By:



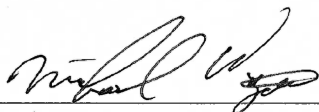
Connie Corona

Executive Director

Date Signed: 11/12/24

Contractor

By:



Michael Wyatt

Principal

Date Signed: 11/15/2024