

**ERCOT Nodal Protocols**

**Section 22**

**Attachment B: Standard Form Reliability Must-Run  
Agreement**

**April 1, 2015**

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**PUBLIC**

Standard Form Reliability Must-Run Agreement

Between  
(Participant)  
and

Electric Reliability Council of Texas, Inc.

This Reliability Must-Run Agreement ("Agreement"), effective as of 1st of June, 2016 ("Effective Date"), is entered into by and between NRG Texas Power LLC, a Delaware Limited Liability Company ("Participant") and Electric Reliability Council of Texas, Inc., a Texas non-profit corporation ("ERCOT").

Recitals

WHEREAS:

- A. Participant is a Resource Entity as defined in the ERCOT Protocols, and Participant intends to supply Reliability Must-Run Service;
- B. ERCOT is the Independent Organization certified under PURA §39.151 for the ERCOT Region; and
- C. The Parties enter into this Agreement in order to establish the terms and conditions by which ERCOT and Participant will discharge their respective duties and responsibilities under the ERCOT Protocols.

Agreements

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, ERCOT and Participant (the "Parties") hereby agree as follows:

Section 1. Unit-Specific Terms.

- A. Start Date: June 1, 2016.
- B. Stop Date: June 30, 2018 (subject to ERCOT Board approval). To the extent that the ERCOT Board does not approve the Stop Date of May 31, 2018, then the Parties agree that the Stop Date for this Agreement shall be May 31, 2017.
- C. RMR Unit: Greens Bayou Unit 5.
- D. Description of RMR Unit [*including location, name of Resource, etc.*]: Greens Bayou Unit 5, located at 12070 Beaumont Hwy. Houston, TX 77049 in Harris County, as described in more detail on Exhibit 1. Exhibit 1 should include any significant maintenance and operational information needed for ERCOT to comply with these Protocols. If Unit is a combined-cycle Generation Resource, indicate the Unit's

operational capability for each power train as envisioned to supply RMR service as specified in the ERCOT Protocols in effect on the Effective Date.

E. RMR Unit Information

- (1) RMR Capacity: 371 MW.
- (2) Power factor lagging
  - (a) 0.86 P.F. (at generator main leads); and
  - (b) 0.91 P.F. (at high side of main power transformer)
- (3) Power factor leading
  - (a) 0.96 P.F. (at generator main leads); and
  - (b) 0.98 P.F. (at high side of main power transformer)
- (4) Target Availability: See Exhibit 1

F. Delivery Point: CNP 138 kV switchyard at GBY

G. Revenue Meter Location (Use Resource IDs): GBY\_GBY\_5

H. Operational and Environmental Limitations (check and describe all that apply):

(1) Operational

Maximum annual hours of operation: Operations are limited to - 2016: July through September; 2017: June through September; and 2018: June.

Maximum annual MWh: \_\_\_\_\_

Maximum annual starts: \_\_\_\_\_

Other: \_\_\_\_\_

(2) Environmental

Maximum annual NO<sub>x</sub> emissions: \_\_\_\_\_

Maximum annual SO<sub>2</sub> emissions: \_\_\_\_\_

Other: \_\_\_\_\_

If applicable, upon ERCOT's request, Participant shall make reasonable efforts to secure additional credits or allowances to allow additional operation of the RMR Unit if ERCOT's planned use will exceed any of the Environmental Limitations set forth above. Participant shall provide ERCOT with advance notice of the cost of these credits prior to making the purchase. The value of any additional credits acquired at ERCOT's request shall be considered Eligible Costs.

I. Inputs for Payments for RMR Unit:

- (1) Estimated Start Up Fuel: 3300 MMBtu per start.
  - (a) Warm Start: 8 hours
  - (b) Cold Start: 14 hours
- (2) Estimated Fuel Adder: \$0.20 per MMBtu
- (3) I/O Curve (MMBtu per MW per hour), attached as Exhibit 2.
- (4) Estimated Standby Cost: \$3,185 per hour.
- (5) Incentive Factor Percentage: 10% of Eligible Costs.

J. Notice. All notices required to be given under this Agreement shall be in writing, and shall be deemed delivered three days after being deposited in the U.S. mail, first-class postage prepaid, registered (or certified) mail, return receipt requested, addressed to the other Party at the address specified in this Agreement or shall be deemed delivered on the day of receipt if sent in another manner requiring a signed receipt, such as courier delivery or Federal Express delivery. Either Party may change its address for such notices by delivering to the other Party a written notice referring specifically to this Agreement. Notices required under the ERCOT Protocols shall be in accordance with the applicable Section of the ERCOT Protocols.

**If to ERCOT:**

Electric Reliability Council of Texas, Inc.  
7620 Metro Center Drive  
Austin, Texas 78744-1654  
Tel No. (512) 225-7000

Attn: ERCOT Legal Department

**If to Participant:**

NRG Texas Power LLC  
1000 Main, Suite 2300  
Houston, TX 77002  
Attn: Mr. Skip Zahn

**Section 2. Definitions.**

- A. Unless herein defined, all definitions and acronyms found in the ERCOT Protocols shall be incorporated by reference into this Agreement.
- B. "ERCOT Protocols" shall mean the document adopted by ERCOT, including any attachments or exhibits referenced in that document, as amended from time to time, that contains the scheduling, operating, planning, reliability, and Settlement (including Customer registration) policies, rules, guidelines, procedures, standards, and criteria of ERCOT. For the purposes of determining prices, payments, and other economic rights of the Parties, the ERCOT Protocols in effect on the Effective Date govern this

Agreement. For the purposes of determining all other responsibilities and rights at a given time, the ERCOT Protocols, as amended in accordance with the change procedure(s) described in the ERCOT Protocols, in effect at the time of the performance or non-performance of an action, shall govern with respect to that action.

### Section 3. Term and Termination.

#### A. Term.

- (1) This Agreement is effective beginning on the Effective Date.
- (2) The "Term" of this Agreement begins at 0000 on the Start Date and ends at 2400 on the Stop Date. ERCOT, at its sole discretion, may terminate this Agreement before the end of the Term by giving 90 days' advance written notice to the Participant.
- (3) Any Term longer than one (1) year requires ERCOT Board approval.

B. Extension by ERCOT. ERCOT may, at its sole discretion, extend this Agreement for a period up to ninety (90) days, even if ERCOT has previously provided notice to Participant of future termination of the Agreement, by providing at least thirty (30) days advance written notice to Participant of the extension.

C. Termination by Participant. Participant may, at its option, immediately terminate this Agreement upon the failure of ERCOT to continue to be certified by the PUCT as the Independent Organization under PURA §39.151 without the immediate certification of another Independent Organization under PURA §39.151.

D. Termination by Mutual Agreement. This Agreement may be terminated upon written agreement of both parties at a time specified by such agreement; provided that Participant may still recover Eligible Costs (Standby Price) and Incentive Factor payments already accrued prior to termination pursuant to this section.

E. Effect of Termination and Survival of Terms. If this Agreement is terminated by a Party pursuant to the terms hereof, the rights and obligations of the Parties hereunder shall terminate, except that the rights and obligations of the Parties that have accrued under this Agreement prior to the date of termination shall survive.

### Section 4. Representations, Warranties, and Covenants.

#### A. Participant represents, warrants, and covenants that:

- (1) Participant is duly organized, validly existing, and in good standing under the laws of the jurisdiction under which it is organized, and is authorized to do business in Texas;
- (2) Participant has full power and authority to enter into this Agreement and perform all of Participant's obligations, representations, warranties, and covenants under this Agreement;

- (3) Participant's past, present, and future agreements or Participant's organizational charter or bylaws, if any, or any provision of any indenture, mortgage, lien, lease, agreement, order, judgment, or decree to which Participant is a party or by which its assets or properties are bound do not materially affect performance of Participant's obligations under this Agreement;
- (4) The execution, delivery, and performance of this Agreement by Participant have been duly authorized by all requisite action of its governing body;
- (5) Except as set out in an exhibit (if any) to this Agreement, ERCOT has not, within the 24 months preceding the Effective Date, terminated for Default any Prior Agreement with Participant, any company of which Participant is a successor in interest, or any Affiliate of Participant;
- (6) If any Defaults are disclosed on any such exhibit mentioned in subsection 4(A)(5), either (a) ERCOT has been paid, before execution of this Agreement, all sums due to it in relation to such Prior Agreement, or (b) ERCOT, in its reasonable judgment, has determined that this Agreement is necessary for system reliability, and Participant has made alternate arrangements satisfactory to ERCOT for the resolution of the Default under the Prior Agreement;
- (7) Participant has obtained, or will obtain prior to beginning performance under this Agreement, all licenses, registrations, certifications, permits and other authorizations and has taken, or will take prior to beginning performance under this Agreement, all actions required by applicable laws or governmental regulations except licenses, registrations, certifications, permits or other authorizations that do not materially affect performance under this Agreement;
- (8) Participant is not in violation of any laws, ordinances, or governmental rules, regulations or order of any Governmental Authority or arbitration board materially affecting performance of this Agreement and to which it is subject;
- (9) Participant is not Bankrupt, does not contemplate becoming Bankrupt nor, to its knowledge, will become Bankrupt;
- (10) Participant acknowledges that it has received and is familiar with the ERCOT Protocols; and
- (11) Participant acknowledges and affirms that the foregoing representations, warranties, and covenants are continuing in nature throughout the Term of this Agreement. For purposes of this Section, "materially affecting performance" means resulting in a materially adverse effect on Participant's performance of its obligations under this Agreement.

B. ERCOT represents, warrants, and covenants that:

- (1) ERCOT is the Independent Organization certified under PURA §39.151 for the ERCOT Region;
- (2) ERCOT is duly organized, validly existing, and in good standing under the laws of Texas, and is authorized to do business in Texas;

- (3) ERCOT has full power and authority to enter into this Agreement and perform all of ERCOT's obligations, representations, warranties, and covenants under this Agreement;
- (4) ERCOT's past, present, and future agreements or ERCOT's organizational charter or bylaws, if any, or any provision of any indenture, mortgage, lien, lease, agreement, order, judgment, or decree to which ERCOT is a party or by which its assets or properties are bound do not materially affect performance of ERCOT's obligations under this Agreement;
- (5) The execution, delivery, and performance of this Agreement by ERCOT have been duly authorized by all requisite action of its governing body;
- (6) ERCOT has obtained, or will obtain prior to beginning performance under this Agreement, all licenses, registrations, certifications, permits and other authorizations and has taken, or will take prior to beginning performance under this Agreement, all actions required by applicable laws or governmental regulations except licenses, registrations, certifications, permits or other authorizations that do not materially affect performance under this Agreement;
- (7) ERCOT is not in violation of any laws, ordinances, or governmental rules, regulations or order of any Governmental Authority or arbitration board materially affecting performance of this Agreement and to which it is subject;
- (8) ERCOT is not Bankrupt, does not contemplate becoming Bankrupt nor, to its knowledge, will become Bankrupt; and
- (9) ERCOT acknowledges and affirms that the foregoing representations, warranties, and covenants are continuing in nature throughout the Term of this Agreement. For purposes of this Section, "materially affecting performance," means resulting in a materially adverse effect on ERCOT's performance of its obligations under this Agreement.

#### Section 5. Participant Obligations.

- A. Participant shall comply with, and be bound by, all ERCOT Protocols as they pertain to provision of Reliability Must-Run Service by a Resource Entity.
- B. Participant shall not take any action, without first providing written notice to ERCOT and reasonable time for ERCOT and Market Participants to respond, that would cause a Market Participant within the ERCOT Region that is not a "public utility" under the Federal Power Act or ERCOT itself to become a "public utility" under the Federal Power Act or become subject to the plenary jurisdiction of the Federal Energy Regulatory Commission.

#### Section 6. ERCOT Obligations.

- A. ERCOT shall comply with, and be bound by, all ERCOT Protocols.
- B. ERCOT shall not take any action, without first providing written notice to Participant and reasonable time for Participant and other Market Participants to respond, that would cause Participant, if Participant is not a "public utility" under the Federal Power Act, or ERCOT itself to become a "public utility" under the Federal Power Act or become

subject to the plenary jurisdiction of the Federal Energy Regulatory Commission. If ERCOT receives any notice similar to that described in Section 5(B) from any Market Participant, ERCOT shall provide notice of same to Participant.

#### Section 7. Capacity Tests for RMR Units.

##### A. Capacity Tests.

- (1) A "Capacity Test" is a one-hour performance test of the RMR Unit by Participant. The capacity as shown by a Capacity Test is called "Tested Capacity" and is determined by the applicable net meter readings during the Capacity Test.
- (2) ERCOT may require that a Capacity Test be run at ERCOT's discretion at any time when the RMR Unit is on line, but ERCOT may not require more than four Capacity Tests in a contract Term. ERCOT must give Participant at least two (2) hours advance notice, after the RMR Unit is on line, of a Capacity Test required by ERCOT, unless Participant agrees to less than two (2) hours. Participant may perform as many Capacity Tests as it desires, but Participant may not perform a Capacity Test without the prior approval of ERCOT, which approval ERCOT may not unreasonably withhold or delay. The Parties will reasonably cooperate to coordinate a Capacity Test. ERCOT has the right to reasonable advance notice of, and to have personnel present during, a Capacity Test.

B. Test Report. ERCOT shall give the Capacity Test results in writing (the "Capacity Test Report") to Participant within twenty-four (24) hours after the test is run.

##### C. Effect of Test.

- (1) A determination of Tested Capacity is effective as of the beginning of the hour in which the Capacity Test is started. For all hours in which Tested Capacity is less than the RMR Capacity specified in Section 1(E)(1)(a) above, then the Incentive Factor Percentage may be reduced as specified in the ERCOT Protocols applicable to RMR Service in effect on the Effective Date.

#### Section 8. Operation.

A. RMR Unit Maintenance. Before the start of each contract Term, Participant shall furnish ERCOT with its proposed schedule for Planned Outages for inspection, repair, maintenance, and overhaul of the RMR Unit for the contract Term. Participant will promptly advise ERCOT of any later changes to the schedule. The specific times for Planned Outages of the RMR Unit must be approved or rejected by ERCOT within thirty (30) days after submission by a Participant. Requested outages may be rejected only if necessary to assure reliability of the ERCOT System. ERCOT shall, if requested by Participant, endeavor to accommodate changes to the schedule to the extent that reliability of the ERCOT System is not materially affected by those changes. In all cases, ERCOT must find a time for Participant to perform maintenance in a reasonable timeframe.

##### B. Planning Data.



- (1) Participant shall timely report to ERCOT those items and conditions necessary for ERCOT's internal planning and compliance with ERCOT's guidelines in effect from time to time. The information supplied must include, without limitation, the following:
  - (a) Availability Plan for each hour of the next Operating Day submitted by 0600 of the preceding day;
  - (b) Revised Availability Plan reflecting changes in the hourly availability of the RMR Unit as soon as reasonably practical, but in no event later than 60 minutes after the event that caused the change; and
  - (c) Status of the RMR Unit with respect to Environmental Limitations listed in Section 1(H) above, if any. If any of the specified Environmental Limitations will be exceeded by ERCOT's planned or actual use of the RMR Unit Participant shall provide ERCOT with as much advance written notice as is reasonably possible.
- (2) ERCOT and Participant shall timely coordinate with each other on the status of the RMR Unit with respect to Operational Limitations.

C. Delivery.

- (1) ERCOT shall notify Participant, through its QSE, of the hours and levels of generation, if any, that the RMR Unit is to operate. This information is called the "Delivery Plan." ERCOT may not notify Participant to operate at levels above those stated in the Availability Plan, and ERCOT may not notify Participant to operate the Unit in a manner that would violate the limitations on operation set out in Section 1 above.
- (2) Participant shall produce and deliver electrical energy from the RMR Unit to the Delivery Point at the levels specified in the Delivery Plan.
- (3) ERCOT may not dispatch the Unit if compliance with the dispatch would cause the Unit to exceed the Operational and Environmental Limitations, if any, set forth in Section 1(H) above or at levels greater than are shown in the Availability Plan. Notwithstanding the foregoing, Participant retains the responsibility for operating the Unit under limits provided by applicable law.
- (4) *The following section is only applicable if the RMR Unit is subject to Environmental Limitations identified in Section 1(H)(2).* Participant may, upon reasonable advance written notice to ERCOT, shut down the RMR Unit for the remaining Term of this Agreement if (a) the shutdown is necessary in Participant's reasonable judgment to comply with Participant's legal obligation to stay within the Environmental Limitations, (b) ERCOT's use of the RMR Unit has caused the RMR Unit to exceed, or will immediately cause the RMR Unit to exceed, the Environmental Limitations specified herein for the entire remainder of the Term of the Agreement and (c)(i) Participant has been unsuccessful in its reasonable attempts procuring additional credits or allowances to allowed

continued operation of the RMR Unit or (ii) ERCOT has not requested that Participant attempt to procure additional credits or allowances. Participant may, upon reasonable advance written notice to ERCOT, temporarily suspend operation of the RMR Unit at any time, and from time to time, if the refusal is necessary in Participant's reasonable judgment to comply with Participant's legal obligation to stay within the Environmental Limitations specified herein. For purposes of determining Actual Availability, the RMR Unit shall be considered to be available at full capacity in any hours in which the RMR Unit is unavailable because Participant has exercised its rights to shut down or suspend operation under this section.

#### Section 9. Payment.

- A. Payments for an RMR Unit. ERCOT shall pay Participant for the RMR Service provided under this Agreement as specified in the ERCOT Protocols applicable to RMR Service, as those ERCOT Protocols are in effect on the Effective Date.
- B. Unexcused Misconduct Events.
- (1) For a RMR Unit, a "Misconduct Event" means any hour or hours during which Participant is requested to, but does not, deliver to ERCOT Energy at a level of at least 98% on each hour (on a kilowatt-hour/hour basis) of the level shown in the Availability Plan.
  - (2) For a Synchronous Condenser Unit, a "Misconduct Event" means any hour or hours during which Participant is requested to, but does not, synchronize the Unit to the ERCOT Transmission Grid during any hour in which the Unit is shown in the Availability Plan.
  - (3) Each day that a Misconduct Event continues after Participant receives written notice from ERCOT of the Misconduct Event is a separate Misconduct Event. Misconduct Event is measured on a daily basis.
  - (4) Participant is excused from the Misconduct Event payment reduction arising from any Misconduct Event that is (a) not due to intentionally incomplete, inaccurate, or dishonest reporting to ERCOT by Participant of the availability of the Unit, or (b) caused by a failure of the ERCOT Transmission Grid.
  - (5) If a Misconduct Event is not excused, then to reflect this lower-than-expected quality of firmness, ERCOT's payments to Participant are reduced as specified in the ERCOT Protocols in effect on the Effective Date.
  - (6) ERCOT shall inform Participant in writing of its determination if a Misconduct Event is unexcused.
  - (7) ERCOT may offset any amounts due by Participant to ERCOT under this Section against any amounts due by ERCOT to Participant under this Agreement.

#### Section 10. Default.

- A. Event of Default.

- (1) Failure by Participant to (i) pay when due, any payment or Financial Security obligation owed to ERCOT or its designee, if applicable, under any agreement with ERCOT ("Payment Breach"), or (ii) designate/maintain an association with a QSE (if required by the ERCOT Protocols) ("QSE Affiliation Breach"), shall constitute a material breach and event of default ("Default") unless cured within one (1) Bank Business Day after ERCOT delivers written notice of the breach to Participant. Provided further that if such a material breach, regardless of whether such breach is cured within the allotted time after notice of the material breach, occurs more than three (3) times within a rolling 12-month period, the fourth such breach shall constitute a Default.
- (2) A material breach other than a Payment Breach or a QSE Affiliation Breach includes any material failure by Participant to comply with the ERCOT Protocols. A material breach under this subsection shall constitute an event of Default by Participant unless cured within fourteen (14) Business Days after delivery by ERCOT of written notice of the material breach to Participant.

Participant must begin work or other efforts within three (3) Business Days to cure such material breach after delivery of the breach notice by ERCOT, and must prosecute such work or other efforts with reasonable diligence until the breach is cured. Provided further that if a material breach, regardless of whether such breach is cured within the allotted time after notice of the material breach, occurs more than three (3) times within a 12-month period, the fourth such breach shall constitute a Default.

A material breach under this subsection shall not result in a Default if the breach cannot reasonably be cured within fourteen (14) Business Days, and Participant:

- (a) Promptly provides ERCOT with written notice of the reasons why the breach cannot reasonably be cured within fourteen (14) Business Days;
  - (b) Begins to work or other efforts to cure the breach within three (3) Business Days after ERCOT's delivery of the notice to Participant; and
  - (c) Prosecutes the curative work or efforts with reasonable diligence until the curative work or efforts are completed.
- (3) The occurrence and continuation of any of the following events shall constitute an automatic Default by Participant:
    - (a) Participant becomes Bankrupt, except for the filing of a petition in involuntary bankruptcy, or similar involuntary proceedings, that is dismissed within 90 days thereafter;
    - (b) The RMR Unit's operation is abandoned without intent to return it to operation during the Term;
    - (c) At any time, the Actual Availability is equal to or less than 50%; or

- (d) Three or more unexcused Misconduct Events occur during a contract Term.
- (4) Except as otherwise herein, a material breach of this Agreement by ERCOT, including any material failure by ERCOT to comply with the ERCOT Protocols, other than a Payment Breach, shall constitute a Default by ERCOT unless cured within fourteen (14) Business Days after delivery by Participant of written notice of the material breach to ERCOT. ERCOT must begin work or other efforts within three (3) Business Days to cure such material breach after delivery by Participant of written notice of such material breach by ERCOT and must prosecute such work or other efforts with reasonable diligence until the breach is cured. Provided further that if a material breach, regardless of whether such breach is cured within the allotted time after notice of the material breach, occurs more than three (3) times within a 12-month period, the fourth such breach shall constitute a Default.
- (5) If, due to a Force Majeure Event, a Party is in breach with respect to any obligation hereunder, such breach shall not result in a Default by that Party.

**B. Remedies for Default.**

- (1) ERCOT's Remedies for Default. In the event of a Default by Participant, ERCOT may pursue any remedies ERCOT has under this Agreement, at law, or in equity, subject to the provisions of Section 12: Dispute Resolution of this Agreement. In the event of a Default by Participant, if the ERCOT Protocols do not specify a remedy for a particular Default, ERCOT may, at its option, upon written notice to Participant, immediately terminate this Agreement, with termination to be effective upon the date of delivery of notice. In the event of Participant's bankruptcy, Participant waives any right to challenge ERCOT's right to set off amounts ERCOT owes to Participant by the amount of any sums owed by Participant to ERCOT, including any amounts owed pursuant to the operation of the Protocols.
- (2) Participant's Remedies for Default.
  - (a) Unless otherwise specified in this Agreement or in the ERCOT Protocols, and subject to the provisions of Section 12: Dispute Resolution of this Agreement, in the event of a Default by ERCOT, Participant's remedies shall be limited to:
    - (i) Immediate termination of this Agreement upon written notice to ERCOT;
    - (ii) Monetary recovery in accordance with the Settlement procedures set forth in the ERCOT Protocols; and
    - (iii) Specific performance.
  - (b) However, in the event of a material breach by ERCOT of any of its representations, warranties or covenants, described in Section 4(B), Participant's sole remedy shall be immediate termination of this Agreement upon written notice to ERCOT.

- (3) A Default or breach of this Agreement by a Party shall not relieve either Party of the obligation to comply with the ERCOT Protocols.

C. Force Majeure.

- (1) If, due to a Force Majeure Event, either Party is in breach of this Agreement with respect to any obligation hereunder, such Party shall take reasonable steps, consistent with Good Utility Practice, to remedy such breach. If either Party is unable to fulfill any obligation by reason of a Force Majeure Event, it shall give notice and the full particulars of the obligations affected by such Force Majeure Event to the other Party in writing or by telephone (if followed by written notice) as soon as reasonably practicable, but not later than fourteen (14) calendar days, after such Party becomes aware of the event. A failure to give timely notice of the Force Majeure Event shall constitute a waiver of the claim of Force Majeure Event. The Party experiencing the Force Majeure Event shall also provide notice, as soon as reasonably practicable, when the Force Majeure Event ends.
- (2) Notwithstanding the foregoing, a Force Majeure Event does not relieve a Party affected by a Force Majeure Event of its obligation to make payments or of any consequences of non-performance pursuant to the ERCOT Protocols or under this Agreement, except that the excuse from Default provided by subsection 10(A)(5) above is still effective.

- D. Duty to Mitigate. Except as expressly provided otherwise herein, each Party shall use commercially reasonable efforts to mitigate any damages it may incur as a result of the other Party's performance or non-performance of this Agreement.

Section 11. Limitation of Damages and Liability and Indemnification.

- A. EXCEPT AS EXPRESSLY LIMITED IN THIS AGREEMENT OR THE ERCOT PROTOCOLS, ERCOT OR PARTICIPANT MAY SEEK FROM THE OTHER, THROUGH APPLICABLE DISPUTE RESOLUTION PROCEDURES SET FORTH IN THE ERCOT PROTOCOLS, ANY MONETARY DAMAGES OR OTHER REMEDY OTHERWISE ALLOWABLE UNDER TEXAS LAW, AS DAMAGES FOR DEFAULT OR BREACH OF THE OBLIGATIONS UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT NEITHER PARTY IS LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR INJURY THAT MAY OCCUR, IN WHOLE OR IN PART, AS A RESULT OF A DEFAULT UNDER THIS AGREEMENT, A TORT, OR ANY OTHER CAUSE, WHETHER OR NOT A PARTY HAD KNOWLEDGE OF THE CIRCUMSTANCES THAT RESULTED IN THE SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR INJURY, OR COULD HAVE FORESEEN THAT SUCH DAMAGES OR INJURY WOULD OCCUR.
- B. With respect to any dispute regarding a Default or breach by ERCOT of its obligations under this Agreement, ERCOT expressly waives any Limitation of Liability to which it may be entitled under the Charitable Immunity and Liability Act of 1987, Tex. Civ. Prac. & Rem. Code §84.006, or successor statute.

- C. The Parties have expressly agreed that, other than subsections (A) and (B) of this Section, this Agreement shall not include any other limitations of liability or indemnification provisions, and that such issues shall be governed solely by applicable law, in a manner consistent with the Choice of Law and Venue subsection of this Agreement, regardless of any contrary provisions that may be included in or subsequently added to the ERCOT Protocols (outside of this Agreement).

Section 12. Dispute Resolution.

- A. In the event of a dispute, including a dispute regarding a Default, under this Agreement, Parties to this Agreement shall first attempt resolution of the dispute using the applicable dispute resolution procedures set forth in the ERCOT Protocols.
- B. In the event of a dispute, including a dispute regarding a Default, under this Agreement, each Party shall bear its own costs and fees, including, but not limited to attorneys' fees, court costs, and its share of any mediation or arbitration fees.

Section 13. Miscellaneous.

- A. Choice of Law and Venue. Notwithstanding anything to the contrary in this Agreement, this Agreement shall be deemed entered into and performable solely in Texas and, with the exception of matters governed exclusively by federal law, shall be governed by and 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. Neither Party waives primary jurisdiction as a defense; provided that any court suits regarding this Agreement shall be brought in a state or federal court located within Travis County, Texas, and the Parties hereby waive any defense of *forum non-conveniens*, except defenses under Tex. Civ. Prac. & Rem. Code §15.002(b).
- B. Assignment.
- (1) Notwithstanding anything herein to the contrary, a Party shall not assign or otherwise transfer all or any of its rights or obligations under this Agreement without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed, except that a Party may assign or transfer its rights and obligations under this Agreement without the prior written consent of the other Party (if neither the assigning Party or the assignee is then in Default of any Agreement with ERCOT):
- (a) Where any such assignment or transfer is to an Affiliate of the Party; or
- (b) Where any such assignment or transfer is to a successor to or transferee of the direct or indirect ownership or operation of all or part of the Party, or its Facilities; or
- (c) For collateral security purposes to aid in providing financing for itself, provided that the assigning Party will require any secured party, trustee or mortgagee to notify the other Party of any such assignment. Any

financing arrangement entered into by either Party pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the other Party of the date and particulars of any such exercise of assignment right(s). If requested by the Party making any such collateral assignment to a Financing Person, the other Party shall execute and deliver a consent to such assignment containing customary provisions, including representations as to corporate authorization, enforceability of this Agreement and absence of known Defaults, notice of material breach pursuant to Section 10(A), Event of Default, and an opportunity for the Financing Person to cure a material breach pursuant to Section 10(A) prior to it becoming a Default.

- (2) An assigning Party shall provide prompt written notice of the assignment to the other Party. Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve either Party of its obligations under this Agreement, nor shall either Party's obligations be enlarged, in whole or in part, by reason thereof.
- C. No Third Party Beneficiary. Except with respect to the rights of the Financing Persons in Section 13(B)(3), (a) nothing in this Agreement nor any action taken hereunder shall be construed to create any duty, liability or standard of care to any third party, (b) no third party shall have any rights or interest, direct or indirect, in this Agreement or the services to be provided hereunder and (c) this Agreement is intended solely for the benefit of the Parties, and the Parties expressly disclaim any intent to create any rights in any third party as a third-party beneficiary to this Agreement or the services to be provided hereunder. Nothing in this Agreement shall create a contractual relationship between one Party and the customers of the other Party, nor shall it create a duty of any kind to such customers.
- D. No Waiver. Parties shall not be required to give notice to enforce strict adherence to all provisions of this Agreement. No breach or provision of this Agreement shall be deemed waived, modified or excused by a Party unless such waiver, modification or excuse is in writing and signed by an authorized officer of such Party. The failure by or delay of either Party in enforcing or exercising any of its rights under this Agreement shall (a) not be deemed a waiver, modification or excuse of such right or of any breach of the same or different provision of this Agreement, and (b) not prevent a subsequent enforcement or exercise of such right. Each Party shall be entitled to enforce the other Party's covenants and promises contained herein, notwithstanding the existence of any claim or cause of action against the enforcing Party under this Agreement or otherwise.
- E. Headings. Titles and headings of paragraphs and sections within this Agreement are provided merely for convenience and shall not be used or relied upon in construing this Agreement or the Parties' intentions with respect thereto.
- F. Severability. In the event that any of the provisions, or portions or applications thereof, of this Agreement is finally held to be unenforceable or invalid by any court of

competent jurisdiction, that determination shall not affect the enforceability or validity of the remaining portions of this Agreement, and this Agreement shall continue in full force and effect as if it had been executed without the invalid provision; provided, however, if either Party determines, in its sole discretion, that there is a material change in this Agreement by reason thereof, the Parties shall promptly enter into negotiations to replace the unenforceable or invalid provision with a valid and enforceable provision. If the Parties are not able to reach an agreement as the result of such negotiations within fourteen (14) days, either Party shall have the right to terminate this Agreement on three (3) days written notice.

- G. Entire Agreement. Any exhibits attached to this Agreement are incorporated into this Agreement by reference and made a part of this Agreement as if repeated verbatim in this Agreement. This Agreement represents the Parties' final and mutual understanding with respect to its subject matter. It replaces and supersedes any Prior Agreements or understandings, whether written or oral. No representations, inducements, promises, or agreements, oral or otherwise, have been relied upon or made by any Party, or anyone on behalf of a Party, that are not fully expressed in this Agreement. An agreement, statement, or promise not contained in this Agreement is not valid or binding.
- H. Amendment. The standard form of this Agreement may only be modified through the procedure for modifying ERCOT Protocols described in the ERCOT Protocols. Any changes to the terms of the standard form of this Agreement shall not take effect until a new Agreement is executed between the Parties.
- I. ERCOT's Right to Audit Participant. Participant shall keep detailed records for a period of three years of all activities under this Agreement giving rise to any information, statement, charge, payment, or computation delivered to ERCOT under the ERCOT Protocols. Such records shall be retained and shall be available for audit or examination by ERCOT as hereinafter provided. ERCOT has the right during Business Hours and upon reasonable written notice and for reasonable cause to examine the records of Participant as necessary to verify the accuracy of any such information, statement, charge, payment, or computation made under this Agreement. If any such examination reveals any inaccuracy in any such information, statement, charge, payment or computation, the necessary adjustments in such information, statement, charge, payment, computation, or procedures used in supporting its ongoing accuracy will be promptly made.
- J. Participant's Right to Audit ERCOT. Participant's right to data and audit of ERCOT shall be as described in the ERCOT Protocols and shall not exceed the rights described in the ERCOT Protocols.
- K. Further Assurances. Each Party agrees that during the Term of this Agreement it will take such actions, provide such documents, do such things, and provide such further assurances as may reasonably be requested by the other Party to permit performance of this Agreement.
- L. Conflicts. This Agreement is subject to applicable federal, state, and local laws, ordinances, rules, regulations, orders of any Governmental Authority, and tariffs.



Nothing in this Agreement may be construed as a waiver of any right to question or contest any federal, state and local law, ordinance, rule, regulation, order of any Governmental Authority, or tariff. In the event of a conflict between this Agreement and an applicable federal, state, and local law, ordinance, rule, regulation, order of any Governmental Authority or tariff, the applicable federal, state, and local law, ordinance, rule, regulation, order of any Governmental Authority or tariff shall prevail, provided that Participant shall give notice to ERCOT of any such conflict affecting Participant. In the event of a conflict between the ERCOT Protocols and this Agreement, the provisions expressly set forth in this Agreement shall control.

- M. No Partnership. This Agreement may not be interpreted or construed to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Neither Party has any right, power, or authority to enter any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- N. Construction. In this Agreement, the following rules of construction apply, unless expressly provided otherwise or unless the context clearly requires otherwise:
- (1) The singular includes the plural, and the plural includes the singular.
  - (2) The present tense includes the future tense, and the future tense includes the present tense.
  - (3) Words importing any gender include the other gender.
  - (4) The word "shall" denotes a duty.
  - (5) The word "must" denotes a condition precedent or subsequent.
  - (6) The word "may" denotes a privilege or discretionary power.
  - (7) The phrase "may not" denotes a prohibition.
  - (8) References to statutes, tariffs, regulations or ERCOT Protocols include all provisions consolidating, amending, or replacing the statutes, tariffs, regulations or ERCOT Protocols referred to.
  - (9) References to "writing" include printing, typing, lithography, and other means of reproducing words in a tangible visible form.
  - (10) The words "including," "includes," and "include" are deemed to be followed by the words "without limitation."
  - (11) Any reference to a day, week, month or year is to a calendar day, week, month, or year unless otherwise indicated.
  - (12) References to articles, Sections (or subdivisions of Sections), exhibits, annexes, or schedules are to this Agreement, unless expressly stated otherwise.

- (13) Unless expressly stated otherwise, references to agreements, ERCOT Protocols and other contractual instruments include all subsequent amendments and other modifications to the instruments, but only to the extent the amendments and other modifications are not prohibited by this Agreement.
  - (14) References to persons or entities include their respective successors and permitted assigns and, for governmental entities, entities succeeding to their respective functions and capacities.
  - (15) References to time are to Central Prevailing Time.
- O. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

SIGNED, ACCEPTED, AND AGREED TO by each undersigned signatory who, by signature hereto, represents and warrants that he or she has full power and authority to execute this Agreement.

*Electric Reliability Council of Texas, Inc.:*

By: Chad V. Seely

Name: Chad V. Seely

Title: Vice President and General Counsel

Date: June 2, 2016



**Participant:**

By: 

**Name: Dudley D. Zahn**

**Title: Vice President, Gulf Coast Asset Management**

**Date: June 2, 2016**

**Market Participant Name:  
NRG Texas Power LLC**

**Market Participant DUNS:1684560493000**

# EXHIBIT 1

**Greens Bayou Unit 5 Budget (without Incentive Payment):**

GBY5 Budget	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Base Cost	\$ 903,204	\$ 880,804	\$ 880,804	\$ 880,804	\$ 880,804	\$ 880,804	\$ 880,804	\$ 909,697
Outage Maintenance	\$ 1,512,550	\$ 1,340,020	\$ 24,500	\$ 82,500	\$ 2,575,090	\$ 1,607,700	\$ 494,610	\$ -
Non-Outage Maintenance	\$ 883,185	\$ 823,407	\$ 756,401	\$ 617,216	\$ 340,600	\$ 340,600	\$ 340,600	\$ 350,818
Other	\$ -	\$ 67,237	\$ 192,941	\$ 73,649	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 3,298,938</b>	<b>\$ 3,111,468</b>	<b>\$ 1,854,645</b>	<b>\$ 1,654,168</b>	<b>\$ 3,796,494</b>	<b>\$ 2,829,104</b>	<b>\$ 1,716,014</b>	<b>\$ 1,260,515</b>

GBY5 Budget	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Base Cost	\$ 909,697	\$ 909,697	\$ 909,697	\$ 909,697	\$ 909,697	\$ 909,697	\$ 909,697	\$ 909,697	\$ 909,737
Outage Maintenance	\$ 555,600	\$ 5,437,610	\$ 1,751,000	\$ 2,094,770	\$ 203,000	\$ -	\$ -	\$ -	\$ -
Non-Outage Maintenance	\$ 608,693	\$ 775,596	\$ 520,218	\$ 365,118	\$ 612,623	\$ 592,339	\$ 521,933	\$ 588,748	\$ 350,818
Other	\$ -	\$ -	\$ -	\$ -	\$ 101,515	\$ 67,237	\$ 192,941	\$ 73,649	\$ -
<b>Total</b>	<b>\$ 2,073,990</b>	<b>\$ 7,122,903</b>	<b>\$ 3,180,915</b>	<b>\$ 3,369,585</b>	<b>\$ 1,826,836</b>	<b>\$ 1,569,274</b>	<b>\$ 1,624,571</b>	<b>\$ 1,572,094</b>	<b>\$ 1,260,555</b>

GBY5 Budget	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
Base Cost	\$ 909,737	\$ 909,737	\$ 936,400	\$ 936,400	\$ 936,400	\$ 936,400	\$ 936,400	\$ 936,400	\$ 25,522,909
Outage Maintenance	\$ -	\$ -	\$ 79,500	\$ 211,060	\$ 1,052,350	\$ 188,840	\$ -	\$ -	\$ 19,210,700
Non-Outage Maintenance	\$ 350,818	\$ 350,818	\$ 361,343	\$ 361,343	\$ 361,343	\$ 361,343	\$ 361,343	\$ 593,907	\$ 12,491,169
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,515	\$ 870,685
<b>Total</b>	<b>\$ 1,260,555</b>	<b>\$ 1,260,555</b>	<b>\$ 1,377,242</b>	<b>\$ 1,508,802</b>	<b>\$ 2,350,092</b>	<b>\$ 1,486,582</b>	<b>\$ 1,297,742</b>	<b>\$ 4,431,822</b>	<b>\$ 58,095,462</b>

**Greens Bayou Unit 5 Outage Information:**

2016 Summer Prep Outage (6/1 - 6/30)	Maintain or Improve Availability	Amount	Benefits	Probability of Failure	Derate	Impact of not performing (hours)	Expected EUOP Improvements
2016 Summer Prep Outage (6/1 - 6/30)		\$ 1,677,560				371.75	
Outage/Project Management Support (4 FTE's) - June		\$ 49,000				0.00	
Boiler Water Circulating Pump Repair	M	\$ 165,000	prevent degradation	25%	50%	24.00	NA
Voltage Regulator Inspection	M	\$ 36,000	prevent degradation	80%	100%	19.20	NA
5A & 5B Circulating Water Pump Repairs	M	\$ 297,000	prevent degradation	15%	50%	45.00	NA
Boiler Expansion Joint	M	\$ 8,800	safety, prevent degradation	5%	100%	4.80	NA
Boiler Dissimilar Metal Welds & Water/Wall Maintenance	M	\$ 46,000	safety, prevent degradation	80%	100%	57.60	NA
Remote Video Inspect Superheat Spray	M	\$ 11,500	prevent degradation	5%	100%	16.80	NA
Condenser Maintenance	M	\$ 26,750	prevent degradation	50%	100%	12.00	NA
Boiler Refractory Repairs	M	\$ 57,500	safety, prevent degradation	50%	100%	24.00	NA
Rebuild Cooling Water Pumps	M	\$ 287,600	prevent degradation	5%	33%	3.96	NA
HVAC Chiller Replacement*	M	\$ 154,000	prevent degradation	75%	100%	18.00	NA
Rewind Gas Recirc Fan Motor and Spare	M	\$ 195,500	prevent degradation	50%	100%	24.00	NA
Chemical Waste Treatment Transfer Pump Purchase*	M	\$ 34,500	environmental	N/A	N/A	N/A	NA
Rewind Condensate Pump Motor	M	\$ 110,000	prevent degradation	50%	100%	84.00	NA
Anodamine Installation	M	\$ 31,500	prevent degradation	80%	100%	36.40	NA
Corrosion Under Insulation Inspection	M	\$ 82,500	safety	NA	NA		NA
No 2 Water Well - U5 portion	M	\$ 82,500	infrastructure	NA	NA		NA

NA = Not Applicable

2016 Fall Outage	Maintain or Improve Availability	Amount	Benefits	Probability of Failure	Derate	Impact of not performing (hours)	Expected EUOP Improvements
2016 Fall Outage		\$ 3,629,200				470.52	
Outage/Project Management Support (2 FTE's) - July - Dec		\$ 147,500				0.00	
Planned Fall Outage	M	\$ 737,000				66.40	NA
High Energy Piping Inspection	M	\$ 403,200	safety	NA	NA		NA
Corrosion Under Insulation Repair	M	\$ 110,000	safety	NA	NA		NA
Cooling Tower Structural Repairs and Fill (1 Cell)*	M	\$ 262,500	safety, prevent degradation	5%	10%	2.52	NA
Start-up Boiler Feed Pump Control Valve	M	\$ 34,500	prevent degradation	5%	100%	16.80	NA
Boiler Structural Steel	M	\$ 126,000	safety	NA	NA		NA
U5 Ladder Repairs	M	\$ 60,000	safety	NA	NA		NA
Cooling Tower Towers and Basin	M	\$ 121,000	environmental	NA	NA		NA
Replace Turbine Lube Oil Cooler Bundle*	M	\$ 528,000	prevent degradation	50%	100%	64.00	NA
Sanded Maintenance/Refurbishment	M	\$ 98,000	environmental	NA	NA		NA
Arc Flash Mitigation	M	\$ 240,000	safety	NA	NA		NA
City of Houston 30" Piping Inspection - from forebay	M	\$ 352,000	prevent degrad., infrastructure	10%	100%	16.80	NA
Replace Feedwater Regulator and 2 Superheat Spray Regulator Valves	M	\$ 365,000	prevent degradation	75%	100%	252.00	NA

**Greens Bayou Unit 5 Outage Information (Continued):**

2017 Spring Outage	Maintain or Improve Availability	Amount	Benefits	Probability of Failure	Derate	Impact of not performing (Hours)	Expected EAF Improvement
2017 Spring Outage		\$ 14,089,071				1069.32	
Outage/Project Management Support (4 FTE's) - July - June		\$ 245,000				0.00	
Repair/ Replace Water/Wall Tubes Reliability	I	\$ 3,575,000	capacity, unit availability	100%	100%	144.00	1.64
IT Infrastructure Hardware*	M	\$ 85,600	infrastructure	NA	NA		NA
Boiler Bucketing Bolting	I	\$ 40,250	unit availability	20%	100%	14.40	0.16
Replace Burner Controls*	M	\$ 468,000	prevent degradation	10%	100%	240.00	NA
Incremental Boiler Reliability Work (general boiler repairs)	M	\$ 230,000	prevent degradation	50%	100%	48.00	NA
Natural Gas Pipeline Maintenance	M	\$ 74,175	safety	NA	NA		NA
Transformer Maintenance	M	\$ 141,800	infrastructure	NA	NA		NA
Natural Gas Pipeline Assessment	M	\$ 141,900	safety	NA	NA		NA
U5 Generator Inspection	M	\$ 282,200	prevent degradation	5%	100%	84.00	NA
U5 Turbine Major Outage	M	\$ 3,289,000	prevent degradation	10%	100%	168.00	NA
U5 Inspect/Repair Intercept, Control, Reverse Current Valves	M	\$ 652,050	prevent degradation	10%	100%	50.40	NA
U5 Boiler Feed Pump Turbine Overhaul*	M	\$ 492,000	prevent degradation	10%	100%	108.00	NA
High Energy Piping Inspection	M	\$ 267,400	safety	NA	NA		NA
Cooling Tower Structural Repairs and Fill (1 Cell)*	M	\$ 275,000	safety, prevent degradation	5%	10%	2.52	NA
Replace Honeywell Controls*	M	\$ 1,048,800	prevent degradation	10%	100%	240.00	NA
Unit 5 Training Simulator Purchase	M	\$ 503,788	prevent degradation	NA	NA		NA
Sandbed Refurbishment (phase 2 & 3)	M	\$ 167,200	environmental	NA	NA		NA
Voltage Regulator Replacement & Power System Stabilizer Installation*	I	\$ 300,000	unit availability	80%	100%	19.20	0.22
Replace Turbine & Boiler Control Systems*	M	\$ 622,000	prevent degradation	10%	100%	240.00	NA
Pilot Torch Air Duct Modification	M	\$ 1,209,600	unit availability	20%	100%	19.20	NA

2018 Spring Outage	Maintain or Improve Availability	Amount	Benefits	Probability of Failure	Derate	Impact of not performing (Hours)	Expected EUCF Improvement
2018 Spring Outage		\$ 1,631,750				2.52	
Outage/Project Management Support (2 FTE's) - Jan - Apr		\$ 98,000					
Planned Spring Outage	M	\$ 783,400					NA
High Energy Piping Inspection	M	\$ 308,000	safety	NA	NA		NA
Cooling Tower Structural Repairs and Fill (1 Cell)*	M	\$ 276,100	safety, prevent degradation	5%	10%	2.52	NA
Flow-Accelerated Corrosion Inspection	M	\$ 86,250	safety	NA	NA		NA

**Greens Bayou Unit 5 Availability (Inclusive of Planned Outages and Forces/Maintenance Outages):**

The **Monthly EAF** percentages of hours of Availability indicated below shall be considered 100% Availability for all purposes for those months under this Agreement and Protocols Section 3.14. 1, Reliability Must Run. For purposes of Protocols Section 3.14.1.13, Incentive Factor, subparagraph (3), the six-month rolling average calculation of Actual Availability shall not include any months during the Term of this Agreement for which the RMR Unit is not required to be operational.

	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
<b>Monthly EAF</b>	0.0	82.3	83.1	82.5				
<b>Target Availability - 6 Month Rolling EAF</b>	N/A	N/A	N/A	N/A				

- where  $EAF = 1 - (MOH + FOH + POH) / PH$

- EAF includes availability contribution from Planned Outages

	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
<b>Monthly EAF</b>					84.8	84.8	84.8	84.6
<b>Target Availability - 6 Month Rolling EAF</b>					N/A	69.8	83.7	84.1

- where  $EAF = 1 - (MOH + FOH + POH) / PH$

- EAF includes availability contribution from Planned Outages

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>Monthly EAF</b>									84.8
<b>Target Availability - 6 Month Rolling EAF</b>									84.4

- where  $EAF = 1 - (MOH + FOH + POH) / PH$

- EAF includes availability contribution from Planned Outages



## EXHIBIT 2

### I/O Curve for Greens Bayou Unit 5:

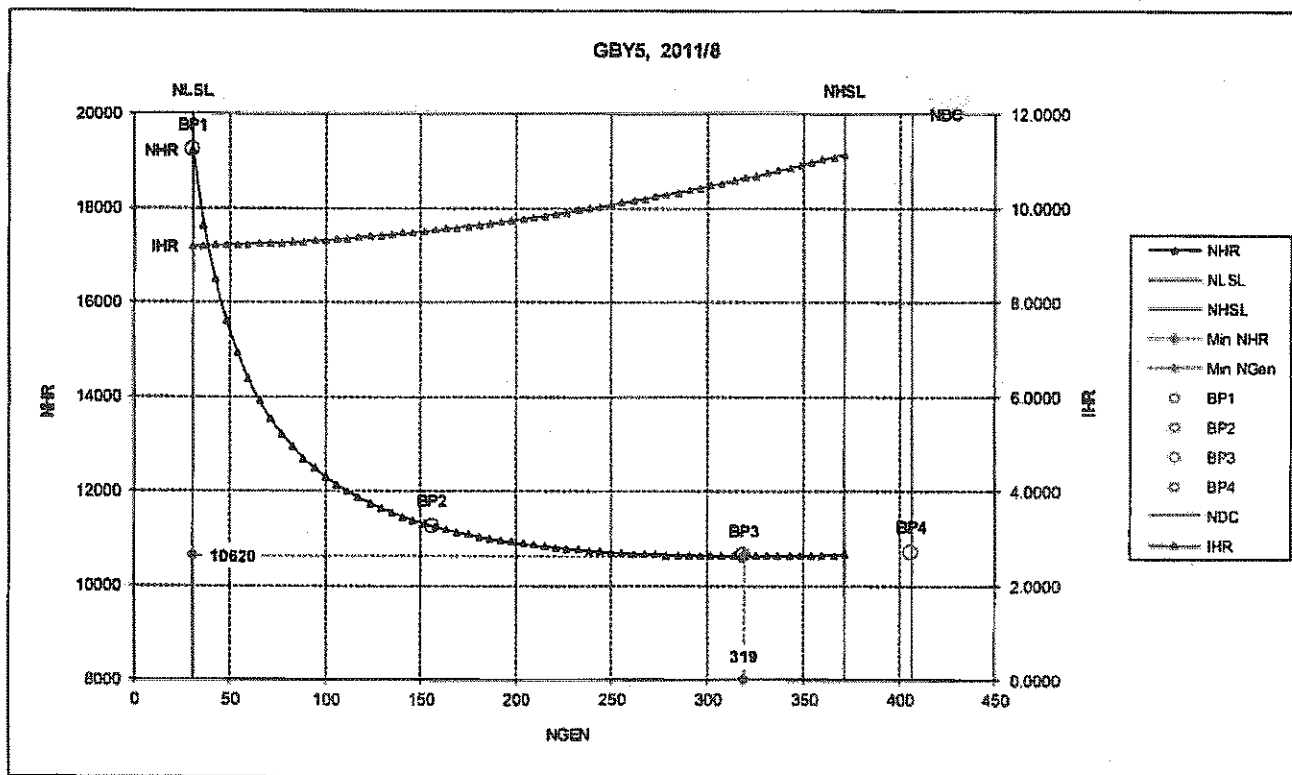
NRG Texas Power LLC  
 GBY5 Incremental Heat Rate Model  
 05/24/16

Gross Low Sustainable Limit	Gross High Sustainable Limit	Net Low Sustainable Limit	Net High Sustainable Limit
40	384	31	371

Unit	Year	Month	A Coefficient	B Coefficient	D Coefficient	AuxA Coefficient	AuxB Coefficient	Test	Report	1st Use	GLSL	GHSL	NLSL	NHSL
GBY5	2011	8	308.436898000	9.168428600	8.800004760	8.954180000	1.010870000	99/06	99/07	99/08	40	384	31	371

Notes:

$I = A + BC + DO^3$	Input/Output model of unit, a broken polynomial curve fit.	Fuel input @ NLSL =	590.06 MMBTU/hr
I = Fuel In, MMBTU/HR	Input (fuel).	MMBTU/MMH @ NLSL =	19.22 MMBTU/MMh
O = Net Generation Out, MMH	Output (Net Generation).		
NHR = (I/O)*1000, BTU/KWH	Net Heat Rate Calculation.		
IHR = dI/dO = B + 3DO <sup>2</sup>	Incremental Heat Rate = 1st derivative of the Input/Output model.		
Net = (Gross - AuxA)/AuxB	Conversion from Gross Generation to Net Generation.		
Min NHR NGen = (A/2D)^(1/3)	Net Generation at Minimum NHR, MM.		



Net Generation, MW	Net Heat Rate (NHR), Btu/Kwh	Incremental Heat Rate (IHR), Btu/Kwh
31	19219	9.1819
36	17632	9.1874
42	16479	9.1939
48	15604	9.2013
54	14918	9.2097
60	14366	9.2191
65	13911	9.2293
71	13532	9.2406
77	13210	9.2527
83	12934	9.2659
88	12695	9.2800
94	12487	9.2950
100	12303	9.3110
106	12140	9.3279
111	11995	9.3458
117	11865	9.3646
123	11748	9.3844
129	11643	9.4051
135	11547	9.4268
140	11461	9.4495
146	11382	9.4731
152	11310	9.4976
158	11244	9.5231
163	11184	9.5495
169	11128	9.5769
175	11078	9.6052
181	11031	9.6345
186	10988	9.6647
192	10949	9.6959
198	10913	9.7281
204	10880	9.7611
210	10850	9.7952
215	10822	9.8302
221	10796	9.8661
227	10773	9.9030
233	10752	9.9408
238	10733	9.9798
244	10716	10.0193
250	10700	10.0600
256	10686	10.1017
261	10674	10.1442
267	10663	10.1878
273	10653	10.2323
279	10645	10.2777
284	10638	10.3241
290	10632	10.3714
296	10627	10.4197
302	10624	10.4689
308	10622	10.5191
313	10620	10.5703
319	10620	10.6224
325	10620	10.6754
331	10622	10.7294
336	10624	10.7843
342	10627	10.8402
348	10631	10.8970
354	10636	10.9548
359	10642	11.0136
365	10648	11.0733
371	10655	11.1339

## EXHIBIT 3

### Additional Terms

1. As part of each Planned Outage, Maintenance Outage, and Forced Outage process for the RMR Unit during the Term of the Agreement, upon request of Participant, ERCOT and Participant shall mutually agree on the time and duration of one or more operational readiness check(s), as soon as practicable in good faith, for purposes of completing each outage process, which could include grid synchronization and ramping to full load, and such operational readiness checks shall not be considered Capacity Tests as described in Section 7 of this Agreement or under Section 3.14.1 13 Incentive Factor, subparagraph (2) of the ERCOT Protocols.
2. For periods of time during the Term of this Agreement when the RMR Unit is not required to be operational, the Parties agree that the RMR Unit will be considered a Mothballed Generation Resource and Participant shall designate the Generation Resource as on Planned Outage in the Outage Scheduler; provided however that being a Mothballed Generation Resource shall not have any impact on the payment, or timing of payment, of Standby Payments or on the obligation and timing for ERCOT to pay Participant for Eligible Costs related to the RMR Unit during the full Term of this Agreement.
3. The Parties have negotiated in good faith a preliminary Eligible Cost budget for the Term of this Agreement. Consistent with Protocol Section 3.14.1.11, Budgeting Eligible Costs, Participant will continue to review maintenance and non-Outage maintenance alternatives for all associated Outages and present such alternatives to ERCOT for consideration with the prospect of lowering overall costs under the Agreement provided that such alternatives do not impact the RMR Unit's Availability as set forth in this Agreement, in the judgment of the Participant.