

# Domino Effects in Contracts

**Akin Gump**  
STRAUSS HAUER & FELD LLP

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## Overview

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# Overview

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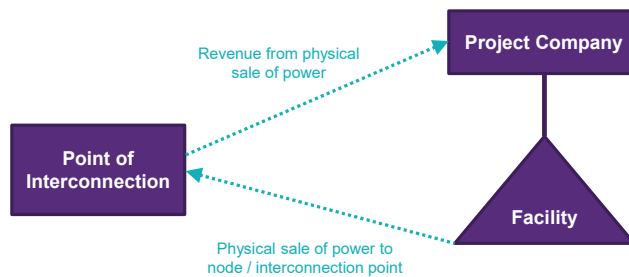
- Recent Events:
  - COVID-19 (2020)
  - Winter Storm Uri (February 2021)
  - Unfair Trade & Labor Practices (2020 & Summer 2021)
- Affects:
  - Force Majeure
  - Contract Structures
  - Change in Law
  - Covenants

# Background



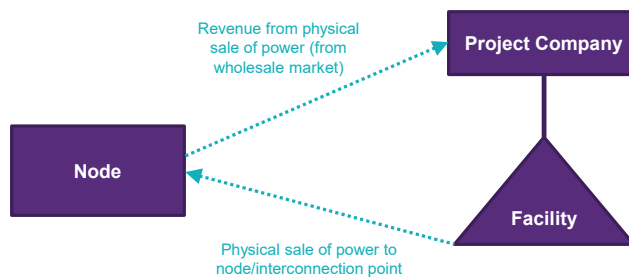
# Traditional Power Purchase Agreement

- The facility (solar / wind farm / coal plant) produces electricity and delivers it to the utility at the interconnection point / node.
- The utility pays a constant agreed upon price, pursuant to a long-term PPA.



# Merchant Power Sales

- The facility (solar / wind farm) produces electricity and delivers it to the interconnection point / node.
- An electric bus (node) is where a resource's measured output is settled with utility.
- Project co. receives market price for when electricity was delivered.



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17<sup>th</sup> Annual Renewable Energy Law Institute session  
"Domino Effects in Contracts"