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November 29, 2016

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ETARIFF FILING

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Beacon Solar 4, LLC
Docket No. ER16-1738-000
Notice of Non-Material Change in Status

Dear Secretary Bose:

Beacon Solar 4, LLC ("Seller") hereby submits for filing this Notice of Non-Material Change in Status (this "Notice") in compliance with the reporting requirements set forth in section 35.42 of the regulations of the Federal Energy Regulatory Commission (the "Commission")¹ and Order Nos. 652 and 816.² Seller is filing this Notice to report the disposition of jurisdictional facilities resulting from the acquisition by FTS Beacon Solar Holdings, LLC ("Beacon Solar Holdings") of one hundred percent (100%) of the membership interests in Seller (the "Transaction").³ More specifically, Seller is filing this Notice to report the disposition to PNC Commercial LLC ("PNC") and Firststar Development, LLC ("Firststar"), passive investors in Beacon Solar Holdings, of an indirect, passive interest in Seller as a result of the Transaction.⁴ Seller also submits, in Attachment B, a revised tariff and corresponding blackline adding the docket number in which FERC granted Seller market-based rate authority, correcting a typographical error, and adding

¹ 18 C.F.R. § 35.42.

² *Reporting Requirements for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, 110 FERC ¶ 61,097, *order on reh'g*, 111 FERC ¶ 61,413 (2005) ("Order No. 652"); *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 816, 153 FERC ¶ 61,065 (2015) ("Order No. 816"), *order on reh'g and clarification*, Order No. 816-A, 155 FERC ¶ 61,188 (2016).

³ Seller's section 203 application (Docket No. EC16-131) requesting authorization for the Transaction included draft transaction documents and used the placeholder "Tax Equity Partnership LLC" for FTS Beacon Solar Holdings, LLC and the placeholder "Sponsor Member" for FTS Beacon Solar Managing Member, LLC.

⁴ *Beacon Solar 4, LLC*, 156 FERC ¶ 62,012 (2016).

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language to permit the sale of primary frequency response service at market-based rates in accordance with Order No. 819.⁵

As demonstrated below, the Transaction does not materially change the facts and circumstances that the Commission relied upon in granting market-based rate authority to Seller because the Transaction constitutes a standard tax equity investment that does not alter the entity controlling Seller or its assets. Seller respectfully submits that the Transaction similarly does not create an affiliation between Seller, PNC and Firststar for purposes of the market screens, and Seller provides at Attachment A the relevant excerpts from the Amended and Restated Operating Agreement of FTS Beacon Solar Holdings, LLC (the “Beacon Solar Holdings Operating Agreement”), the sole member of Seller, needed to reach this conclusion.

I. COMMUNICATIONS

Communications with regard to this notice should be addressed to:

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II. DESCRIPTION OF SELLER

Seller is a Delaware limited liability company with its principal place of business in Salt Lake City, Utah. Seller owns and operates a solar photovoltaic power project with a nameplate capacity rating of approximately 50 MWac located in Kern County, California (the “Beacon Solar 4 Project”). The Beacon Solar 4 Project is located within the Los Angeles Department of Water and Power (“LADWP”) balancing authority area. Seller’s sole business is the ownership and operation of the Beacon Solar 4 Project. Seller has obtained market-based rate authority⁶ and has filed notice with the Commission of its status as an exempt wholesale generator.⁷ The

⁵ *Third-Party Provisions of Primary Frequency Response Service*, Order No. 819, 153 FERC ¶ 61,220 (2015).

⁶ *See Beacon Solar 4, LLC*, Docket No. ER16-1738-000 (delegated letter order issued June 30, 2016).

⁷ Notice of Exempt Wholesale Generator Status by Beacon Solar 4, LLC, Docket No. EG16-92 (filed May 3, 2016).

Beacon Solar 4 Project achieved mechanical completion in November 2016 and is scheduled to reach commercial operation in November 2016. Seller is committed to sell the entire output of the Beacon Solar 4 Project under a 25-year power purchase agreement with a non-affiliate, LADWP. Seller does not own or operate any transmission or distribution facilities other than those limited interconnection facilities needed to connect the Beacon Solar 4 Project to the LADWP-controlled transmission system. Seller does not own or control any inputs to electric power production, as defined in 18 C.F.R. § 35.36.

Prior to the closing of the Transaction, Seller was a wholly-owned indirect subsidiary of FTP Power LLC, a Delaware limited liability company (“FTP”). FTP had the right to control Seller and the Beacon Solar 4 Project on a day-to-day basis. FTP’s principal business is directly and indirectly owning, operating, and developing renewable energy generation facilities throughout the United States.

III. NOTICE OF NON-MATERIAL CHANGE IN STATUS

On July 6, 2016, the Commission issued an order authorizing the disposition of jurisdictional facilities resulting from the acquisition by Beacon Solar Holdings of one hundred percent (100%) of the membership interests in Seller and the simultaneous disposition to Firstar and PNC of an indirect, passive interest in Seller.⁸ Seller submits this Notice as a result of the consummation of the Transaction on November 2, 2016.⁹ As discussed below, the Transaction does not affect the Commission’s prior determination that Seller satisfies the requirements for market-based rate authorization.

Pursuant to the Transaction, (1) Beacon Solar Holdings owns one hundred percent (100%) of the membership interests in Seller, (2) Firstar and PNC each own fifty percent (50%) of the non-controlling, passive Class A Membership Interests in Beacon Solar Holdings, and (3) FTS Beacon Solar Managing Member, LLC, a wholly-owned indirect subsidiary of FTP (“Beacon Managing Member”), owns one hundred percent (100%) of the controlling Class B Membership Interests in Beacon Solar Holdings. Under the Beacon Solar Holdings Operating Agreement, Beacon Managing Member is the Managing Member of Beacon Solar Holdings with the right to control Beacon Solar Holdings and, through Beacon Solar Holdings, Seller and the Beacon Solar 4 Project on a day-to-day basis. Section 7.01(a) of the Beacon Solar Holdings Operating Agreement, set forth in full on Attachment A, provides that:

⁸ *Beacon Solar 4, LLC*, 156 FERC ¶ 62,116 (2016).

⁹ Seller submitted a Notice of Consummation to the Commission on November 7, 2016, as supplemented on November 15, 2016.

Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall (i) have full, complete and exclusive discretion to manage and control the business of the Company [Beacon Solar Holdings], including to carry out the obligations and the duties specified in Section 4.02 [Duties and Obligations Relating to the Projects and the Company], (ii) make all decisions affecting the business of the Company, and (iii) manage and control the affairs of the Company (A) in good faith and in accordance with Prudent Electrical Practices, (B) in a manner reasonably believed to be within the scope of authority granted to it under this Agreement, (C) in the best interest of the Company and (D) using best efforts to carry out the purposes of the Company stated in Article III [Purpose and Business of the Company].

As holder of the Class A Membership Interests, Firststar and PNC have limited consent and veto rights over major corporate actions necessary to protect its investments, including rights that are comparable to the rights retained by the lenders in a typical project financing. Specifically, Firststar and PNC only have voting rights with respect to certain actions set forth in Section 7.02(b) of the Beacon Solar Holdings Operating Agreement and certain other major administrative actions.¹⁰ An exhaustive list of these major corporate actions is provided on Attachment A. Firststar and PNC have the right to consent to certain actions by Beacon Solar

¹⁰ As is typically the case, the rights at issue in the Transaction may vary somewhat from those included in other transactions approved by the Commission, but none of these variations is material to the ultimate conclusion that the power to manage Seller and the Beacon Solar 4 Project is fully vested in Beacon Solar Holdings' Managing Member through Beacon Solar Holdings as Seller's sole member. For example, Section 7.13 of the Beacon Solar Holdings Operating Agreement provides that Beacon Solar Holdings' Managing Member will prepare an annual operating budget and capital budget for the Projects that is subject to the consent of the Investor Members. The rights of the Investor Members to approve such an annual operating budget and capital budget does not grant them sufficient power over Beacon Solar Holdings or Seller's annual operating budget or capital budget to hinder or control Beacon Solar Holdings or Seller's day-to-day operations. Beacon Managing Member, as the Managing Member of Beacon Solar Holdings, prepares and submits the budget for approval and will include in such budgets sufficient amounts to fund all of its activities as the Managing Member. The Commission previously has found that consent and veto rights that are substantially similar to those provisions set out in Attachment A do not confer control over a public utility. See, e.g., *Carolina Power & Light Co.*, 94 FERC ¶ 61,273 at 62,006 (2001) (finding that the right to approve a budget did not confer control because the budget preparer would include enough to fund its activities); *Caney River Wind Project, LLC*, Docket No. ER11-4501-003 (letter order issued March 22, 2012) (approving position that tax equity investors' rights to protect their investments, including the right to approve annual budgets, did not confer control over a public utility or allow tax equity investors to participate in the public utility's day-to-day control as it engages in wholesale power transactions).

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Holdings (and through Beacon Solar Holdings, Seller) that could potentially impact Firststar's and PNC's respective investments and do not grant either Firststar or PNC the right to control the day-to-day business or operations of Beacon Solar Holdings, Seller, or the Beacon Solar 4 Project. Accordingly, Firststar and PNC have only non-controlling, passive tax equity interests in Beacon Solar Holdings and, through Beacon Solar Holdings, Seller.

As demonstrated by the information provided in Attachment A hereto, the limited consent rights attached to Firststar's and PNC's respective membership interests are no greater than the rights that the Commission held to be passive in *AES Creative Resources*.¹¹ In *AES Creative Resources*, the Commission held that passive tax equity investors with limited consent rights with respect to major decisions of electric generation companies were not affiliates of such electric generation companies for purposes of the Commission's market power analysis. Accordingly, as a holder of the Class A Membership Interests in Beacon Solar Holdings, Firststar and PNC are not affiliates of Seller. Therefore, the Transaction does not raise any horizontal or vertical market power concerns, and constitutes a non-material change in the status of Seller.

IV. CONCLUSION

As explained above, the Transaction does not materially change the facts and circumstances that the Commission relied upon in granting market-based rate authority to Seller. Therefore, Seller respectfully requests that the Commission accept for filing this Notice and find that no further inquiry is necessary.

Respectfully submitted,

/s/ Jason Johns

Jason Johns
Jennifer L. Mersing
Stoel Rives LLP
Counsel for Beacon Solar 4, LLC

¹¹ 129 FERC ¶ 61,239 (2009).

Attachment A

Beacon Solar 4, LLC's Responses to Commission Staff's Questions Regarding the Class A Interests

Consistent with the Commission's practice in other proceedings involving passive investors, Seller provides the following information:

1. ***Please clarify whether any of the passive interests include voting rights (i.e., common stock or the equivalent of common stock).***¹

Firststar and PNC, as owners of Beacon Solar Holdings' Class A Membership Interests, do not have full voting rights. The limited consent rights of the owners of the Class A Membership Interests are described below and in the Addendum to this Attachment.

2. ***If the passive interests are non-voting, please clarify the following:***

- a. ***Do they represent a separate class of security in Applicant's ownership structure?*** Applicant is a wholly-owned subsidiary of Beacon Solar Holdings. Membership interests in Beacon Solar Holdings are owned by: (1) Beacon Managing Member, which owns one-hundred percent (100%) of the Class B Membership Interests, and is the Managing Member of Beacon Solar Holdings, with the right to control Applicant on a day-to-day basis, (2) Firststar, which owns fifty percent (50%) of the Class A Membership Interests and has a passive, non-controlling interest in Beacon Solar Holdings with only limited rights with respect to Applicant, and (3) PNC, which owns fifty percent (50%) of the Class A Membership Interests and has a passive, non-controlling interest in Beacon Solar Holdings with only limited rights with respect to Applicant.

- i. ***If so, do such securities confer on the holder limited consent/veto rights over major corporate actions that could affect the value of the holder's investment?*** There are limited consent rights attached to the Class A Membership Interests. See the Addendum to this Attachment for the relevant excerpts from the Operating Agreement of Beacon Solar Holdings.

- b. ***Is there a list describing the major corporate actions over which the holder of the passive or non-voting securities has consent/veto rights?***

¹ As used herein, "voting security" means "any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a company." 18 C.F.R. § 366.1 (2010); see also *AES Creative Resources, L.P.*, 129 FERC ¶ 61,239 at P 24 (2009).

- i. ***If so, please file a publicly available exhaustive list describing the major corporate actions over which the holder of the passive or non-voting securities has consent/veto rights.***

See the Addendum to this Attachment, which sets forth an exhaustive list of the major corporate actions over which the Class A Membership Interests have consent/veto rights.

- c. ***Do the holders of the asserted passive or non-voting securities have any power to remove the manager (e.g., the general partner if a partnership, or managing member if a manager-managed limited liability company) of the facility?***

The Class A Membership Interests may remove the Managing Member of Beacon Solar Holdings for certain actions. See the Addendum to this Attachment for a description of such removal rights.

- i. ***If so, is their power to remove limited to “cause”, i.e., situations such as criminal activity/fraud on the part of the manager?***

The Class A Membership Interests must have cause to remove the Managing Member of Beacon Solar Holdings. See the Addendum to this Attachment for a description of such removal rights.

- ii. ***Or, under what circumstances can they remove the manager?***

See the Addendum to this Attachment for a description of the removal rights held by the Class A Member.

- d. ***If it is asserted that the securities in question confer only limited approval/veto rights, who exercises day-to-day control over Applicant’s jurisdictional facilities?***

Beacon Managing Member, as the Managing Member of Beacon Solar Holdings, has the right to control Applicant and the Beacon Solar 4 Project on a day-to-day basis.

- e. ***Does the holder of the asserted passive or non-voting securities have any day-to-day input or control over the facility?***

Neither Firststar nor any of its affiliates nor PNC nor any of its affiliates has any day-to-day input or control over the Beacon Solar 4 Project or the sale of power from the Beacon Solar 4 Project.

**ADDENDUM
TO ATTACHMENT A**

**EXCERPTS FROM THE
AMENDED AND RESTATED OPERATING
AGREEMENT OF FTS BEACON SOLAR HOLDINGS, LLC**

6.02. Admission of a Successor or Additional Managing Member.

A Person shall be admitted as a successor or additional Managing Member only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the Managing Member or its successors and the Investor Members^[1], unless (i) such Person is an Affiliate of the Managing Member and either (A) and the Guaranty remains in place, or (B) the Affiliate satisfies the requirement set forth in clause (ii) of the definition of “Qualified Transferee” and the Investor Members have Consented (not to be unreasonably withheld) to the Person’s admission; or (ii) the admission of such Person is in connection with a transfer by foreclosure (or in lieu of foreclosure) from the Managing Member to the Collateral Agent or its designee in accordance with the Construction Loan Consent;

6.03. Effect of Bankruptcy or Dissolution of the Managing Member.

(a) Effect of Bankruptcy or Dissolution. Upon the Bankruptcy or dissolution of the Managing Member, such Managing Member shall immediately cease to be the Managing Member, such Managing Member’s Interest shall convert to an Economic Interest, and the Investor Members shall engage a Person to carry out the duties of and the powers exercisable by the Managing Member hereunder as the manager of the Company pursuant to the Act (the “Manager”).

7.01. Management of the Company.

(a) Management Vested in Managing Member. Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall (i) have full, complete and exclusive discretion to manage and control the business of the Company^[2], including to carry out the obligations and the duties specified in Section 4.02 [Duties and Obligations Relating to the Projects and the Company], (ii) make all decisions affecting the business of the Company, and (iii) manage and control the affairs of the Company (A) in good faith and in accordance with Prudent Electrical Practices, (B) in a manner reasonably believed to be within the scope of authority granted to it under this Agreement, (C) in the best interest of the Company and (D) using best efforts to carry out the purposes of the Company stated in Article III [Purpose and Business of the Company].

(b) Managing Member Authority. Except as otherwise set forth in this Agreement and subject to the applicable rules and regulations and the provisions of the Tax Equity

¹ Firstar Development, LLC and PNC Commercial, LLC - the owners of the Class A Interests.

² FTS Beacon Solar Holdings, LLC.

Documents^[3], the Managing Member (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority in the management of the Company business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Company. In furtherance and not in limitation of the foregoing provisions, the Managing Member is specifically authorized and empowered to cause the Company and each Project Company^[4] to execute and deliver the Transaction Documents^[5] to which Company and each Project Company is a party and any bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith. All decisions made for and on behalf of the Company by the Managing Member (when acting in its capacity as the Managing Member of the Company and within the authority granted under this Agreement) shall be binding upon the Company and each Project Company. No Person dealing with the Managing Member shall be required to determine its authority to make any undertaking on behalf of the Company or a Project Company, nor to determine any facts or circumstances bearing upon the existence of such authority.

(c) Authority of Other Members. No Member (other than the Managing Member) in its capacity as such has the authority or power to act for or on behalf of the Company in any manner, to do any act that would be (or could be construed as) binding on the Company or to make any expenditures on behalf of the Company, and the Members hereby Consent to the exercise by the Managing Member of the powers conferred on it by law and this Agreement.

(d) Duties of Members. The provisions of this Agreement shall define the relationships and duties among the Members and the Managing Member and the relationship between the

³ The Tax Equity Documents are this Agreement, the Equity Capital Contribution Agreement, the Project Company Operating Agreements, the Guaranty, the Investor Guarantees, the Development Agreement, the Asset Management Agreement and any other document, instrument or agreement entered into among any Sponsor Entity or Sponsor Entity Affiliate, or any Investor in connection with the transactions contemplated by any of the foregoing agreements.

⁴ The Project Companies are Beacon Solar 1, LLC, Beacon Solar 3, LLC, and Beacon Solar 4, LLC.

⁵ The Transaction Documents are defined as, collectively, the Tax Equity Documents, the Construction Loan Documents and the Project Documents. The Construction Loan Documents are the Construction Loan Agreement, the Construction Loan Consent and each other agreement entered into pursuant thereto. The Project Documents are, with respect to each Project, the PPAs, the lease or easement agreements entered into with the Landlords, the EPC Contracts, the O&M Contracts, the PTO Letters, the Interconnection Agreements, the Option Agreements (as defined in the PPAs), any material equipment warranties for such Project and any other document that relates to the development, construction, operation or maintenance of the Projects, but excluding the Tax Equity Documents and the Construction Loan Documents.

Managing Member and the Company. To the extent that these provisions are inconsistent with the duties (including fiduciary duties) otherwise owed by the Managing Member to the Company or another Member under Applicable Law, the provisions of this Agreement shall control.

7.02. Limitations Upon the Authority of the Managing Member.

(b) Investor Member Consent Required. Notwithstanding anything to the contrary in this Agreement, including any general authority granted to the Managing Member hereunder, the Managing Member shall not, without the Consent of the Members:

(i) sell or otherwise dispose of all or substantially all of the assets of the Company or any Project Company, permit a disposition of the Projects within the meaning of Section 50 of the Code or take any action that would cause a Recapture Event;

(ii) place any Encumbrance on the Company, a Project Company or any asset of the Company or a Project Company, including any of the Projects, other than Permitted Liens or prepay in whole or in part, refinance or amend or modify any other third-party financing affecting any of the Projects;

(iii) cause the Company or any Project Company to incur debt in excess of \$100,000 in the aggregate at any one time, except pursuant to the Construction Loan Documents and borrowings constituting Subordinated Loans or Operating Deficit Loans or which are provided for in an Approved Budget, if any;

(iv) cause the Company or a Project Company to undertake any rehabilitation, repairs or other work on the Projects, participate or fund any rehabilitation, repairs or other work on the Sites, or construct any new or replacement capital improvements on the Sites or the Projects which substantially alter the Projects or its use or which cost in excess of \$100,000 in a single Fiscal Year, except (A) repairs or replacements under emergency conditions, (B) reconstruction paid for from insurance proceeds so long as no Recapture Event has or could reasonably be expected to occur as a result of the damage or casualty event for which such insurance proceeds are provided, or (C) as and to the extent provided for in an Approved Budget, so long as the aggregate expense amount does not exceed 110% of the annual spending projected in the then current Approved Budget, if any;

(v) cause the Company or a Project Company to acquire any real property or any interest in real property;

(vi) make any filing to begin Bankruptcy proceedings on behalf of the Company or a Project Company;

(vii) make application(s) for or accept any grant funds on behalf of the Company or a Project Company regardless of the source of the grant;

(viii) pledge or assign, or permit any Lien on, any of the assets of the Company or a Project Company, including the Investor Members' Capital Contributions or the proceeds thereof, except for Permitted Liens;

(ix) collaterally assign its Interest to a Person other than the Collateral Agent, provided, however, such consent shall not be unreasonably withheld; and provided further, if the Investor Members approve any such collateral assignment, it shall execute such documents as may reasonably and customarily be requested by Managing Member to consummate any such financing or refinancing;

(x) cause the Company or a Project Company to settle, compromise, mediate or otherwise relinquish any claim (actual or prospective) in excess of \$100,000, or to release, waive or diminish any material Company or Project Company rights in any litigation or arbitration matter involving a claim, in excess of \$100,000;

(xi) change the nature of the Company's business from the purpose specified in Section 3.01[Purpose of the Company];

(xii) except as permitted under Article XII [Sale, Dissolution and Liquidation], dissolve and wind up the Company;

(xiii) permit the merger or termination of the Company or a Project Company;

(xiv) file or prepare an IRS Form 3468 or other tax returns that would cause the Members to claim Tax Credits in excess of allowed "energy percentage" under Section 48(a)(2)(A) of the Code multiplied by the [Eligible Basis] (as defined in the ECCA) of the Projects;

(xv) cause the Company or a Project Company to take any action or fail to take any action that would prevent the Tax Credits from being available to the Company and claimable by or distributable to the Investor Members (other than an Excluded Event);

(xvi) admit any Person as a Member, except as otherwise provided in this Agreement;

(xvii) permit any Person to borrow from the Company or a Project Company or commingle Company or Project Company funds with the funds of any Person;

(xviii) permit the Company to pay directly or indirectly to the Managing Member a commission or fee in connection with the reinvestment or distribution of liquidating distributions belonging to the Company, except as provided for herein;

(xix) permit the Company or a Project Company to receive any Rebates or give-ups or participate in any reciprocal business relationships in circumvention of this Agreement;

(xx) dismiss or replace the Managing Member from its duties and obligations as the Managing Member, except as provided in this Agreement;

(xxi) enter into any amendment or modification of any Project Document or waive any right under or provision of any Project Document, enter into any additional Project Document or replacement for any Project Document or consent to or make any election to terminate any Project Document, in any way that could reasonably be expected to have a material adverse effect on the Company, a Project Company or an Investor Member after taking into account all relevant facts and circumstances at the time, including the reasonably expected outcome of not so acting;

(xxii) if a loan under any Construction Loan Document is secured by a lien on any of the Projects or the Company's interest in the Project Companies, enter into any amendment or modification of any Construction Loan Document or enter into any additional Construction Loan Document or replacement for any Construction Loan Document that (A) could reasonably be expected to have a material effect on the timing or cost of repayment of loans under the Construction Loan Document, or (B) grants or materially affects an existing grant of a security interest in a Project, the Company's interest in a Project Company or the Managing Member's interest in the Company;

(xxiii) approve change orders to any EPC Contract in excess of \$250,000 in the aggregate with respect to any Project;

(xxiv) except as may be agreed by the Managing Member and Investor Members, extend any Final Completion Deadline;

(xxv) cause the Company or any Project Company to (A) enter into or permit any lease of any of the Projects with a tax-exempt entity (within the meaning of Section 168(h) of the Code) without the Consent of the Investor Members, which Consent shall be granted or withheld in the sole discretion of the Investor Members; or (B) make, or suffer to be made, any sublease of any of the Projects;

(xxvi) make any tax elections under Section 13.05 [Tax Elections]; or

(xxvii) approve any Remediation Plan⁶.

7.05. Affiliate Contracts.

(a) Limitations. None of the Company, the Project Companies, nor the Managing Member shall enter into any agreement with any Sponsor Entity or any Sponsor Entity Affiliate

⁶ A Remediation Plan involves remediating PPA Customer defaults.

(such agreement, an “Affiliate Contract”) for the sale of goods or services to the Company or a Project Company not specifically provided for in the Tax Equity Documents or Consented to by the Investor Members, unless (i) the compensation paid for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Company or a Project Company, (ii) the goods or services to be furnished are reasonable for, and necessary to, the Company or a Project Company, (iii) the fees, terms and conditions of such transaction are at least as favorable to the Company or a Project Company as would be obtainable in an arm’s length transaction, (iv) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by any Sponsor Entity or Sponsor Entity Affiliate shall be compensated by the Company for his or her services, and (v) the Affiliate Contract is in writing and is terminable on not more than sixty (60) days’ notice without penalty for any reason at the discretion of the Company or the Project Company (with the Consent of each Investor Member if it is still a Member).

7.11. Removal of the Managing Member.

(a) Removal by the Investor Members. The Investor Members, shall have the right to remove the Managing Member as the managing member of the Company in accordance with the procedures set forth in this Section 7.11 upon the occurrence of any of the following events (each, an “Event of Default”):

(i) Any intentional misconduct, gross negligence, fraud, act outside the scope of its authority under this Agreement, breach of any fiduciary duty, and the failure to exercise reasonable care in the discharge of its obligations as the Managing Member under this Agreement (provided, any of the foregoing (other than incidents of fraud) has, or would reasonably be expected to have a Material Adverse Effect);

(ii) upon the occurrence of any of the following:

(A) any Sponsor Entity or Sponsor Entity Affiliate shall have violated any provisions of any of the Transaction Documents other than the Construction Loan Documents, including but not limited to, any breach of covenant, representation or warranty, or violated Applicable Laws, provided that such violation or breach has a Material Adverse Effect;

(B) the Managing Member shall have failed to pay an Investor Member or the Company any amounts due from Managing Member hereunder within five (5) Business Days after Notice from an Investor Member of such failure;

(C) the Managing Member shall have conducted its own affairs or the affairs of Company to:

(1) cause the Company to fail to qualify as a limited liability company under the Act;

(2) cause the termination of the Company for federal income tax purposes; or

(3) cause the Company to be treated for federal income tax purposes as an association, taxable as a corporation; or

(D) an event of Bankruptcy shall have occurred with respect to any Sponsor Entity.

7.13. Operating Budget and Capital Budget.

The annual operating budget and capital budget for the Projects (the “Budget”) shall be prepared by the Managing Member and submitted to the Investor Members for their review at least sixty (60) days prior to the proposed effective date of such Budget, and any such proposed Budget shall be subject to the Consent of the Investor Members before it becomes effective (such Budget, as approved, the “Approved Budget”). Such Budget shall specifically provide for all budget expenses in all major categories, including administration, operation, repairs and maintenance, utilities, capital improvements, taxes, insurance, interest and all budgeted expenses which are to be paid to any Sponsor Entity or Sponsor Entity Affiliate. Review and approval of the Budget by the Investor Members, or their objections to the Budget, shall be made and delivered to the Managing Member within twenty (20) days of the Investor Members’ receipt of the Budget, and the Investor Members and the Managing Member shall negotiate in good faith to reach agreement on any such objections; provided, that until such objections are resolved, the current Approved Budget shall be used for the following year, increased annually by the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average for All Items (1982-1984=100), as published by the Bureau of Labor Statistics of the U.S. Department of Labor. If an Investor Member fails to notify the Managing Member within such twenty (20)-day period that it approves of or objects to any item in a proposed Budget, it shall be deemed to have approved such Budget. After commencement of the Fiscal Year covered by such Approved Budget, the Managing Member shall notify the Investor Members in writing of any proposed modification in the allocation of funds among the specific categories in the Approved Budget approved by the Investor Members by more than (i) 10% in any category, or (ii) more than 10% of the overall Approved Budget and no such modification shall be effective without the Consent of the Members (such Consent not to be unreasonably withheld or delayed).

10.01. Management of the Company.

Except insofar as the Consent of any Investor Member is expressly required or as otherwise expressly provided in this Agreement, the Investor Members shall not take part in the management or control of the business of the Company, transact any business in the name of the Company or have the power or authority to bind the Company or to sign any agreement or document in the name of the Company.

12.01. Dissolution of the Company.

The Company shall be dissolved only upon the first to occur of the following:

(a) withdrawal, Bankruptcy or dissolution of the Managing Member, if (and only if) the Investor Members elect to dissolve the Company in such event;

(b) the Consent of the Members;

(c) the sale or other disposition of all or substantially all of the assets of the Company; or

(d) any other event causing the dissolution of the Company under the laws of the Formation State.

ATTACHMENT B

**BEACON SOLAR 4, LLC
CLEAN TARIFF**

1. **Availability.** Seller will make wholesale electric energy, capacity, and ancillary services available under this Tariff to any purchaser, except as prohibited below.
2. **Applicability.** This Tariff is applicable to all sales of energy, capacity, and ancillary services by Seller not otherwise subject to a particular rate schedule of Seller.
3. **Rates.** All sales shall be made at the rates established between the purchaser and Seller.
4. **Other Terms and Conditions.** All other terms and conditions shall be established by agreement between the purchaser and Seller.
5. **Compliance with Commission Regulations.** Seller shall comply with the provisions of 18 C.F.R. Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller's market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this Tariff or otherwise restricts or limits the Seller's market-based rate authority. Failure to comply with the applicable provisions of 18 C.F.R. Part 35, Subpart H, and with any orders of the Commission concerning Seller's market-based rate authority, will constitute a violation of this Tariff.
6. **Limitations and Exemptions Regarding Market Based Rate Authority.** Seller does not have any limitations on its market-based rate authority except as otherwise provided in this Tariff. The Commission granted Seller in Docket No. ER16-1738-000 the following waivers and blanket authorization: (a) waiver of Subparts B and C of Part 35 of the Commission's regulations requiring the filing of cost-of-service information, except for sections 35.12(a), 35.13(b), 35.15 and 35.16; (b) waiver of the requirements of Part 41 and Part 101, with the exception that waiver of the provisions of Part 101 that apply to hydropower licensees is not granted with respect to licensed hydropower projects; (c) waiver of Part 141 of the Commission's regulations concerning accounting and reporting requirements, with the exception of 18 C.F.R. §§ 141.14 and 141.15; and (d) blanket approval as to Section 204 of the FPA and Part 34 of the Commission's regulations for all future issuances of securities and debt and assumption of liabilities.
7. **Ancillary Services.**

PJM: Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, L.L.C. ("PJM") and, where the PJM Open Access Transmission Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

New York: Seller offers regulation and frequency response service, and operating reserve service (which include 10-minute non-synchronous, 30-minute operating reserves, 10-minute spinning reserves, and 10-minute non-spinning reserves) for sale to purchasers in the market administered by the New York Independent System Operator, Inc.

New England: Seller offers regulation and frequency response service (automatic generator control), operating reserve service (which includes 10-minute spinning reserve, 10-minute non-spinning reserve, and 30-minute operating reserve service) to purchasers within the markets administered by the ISO New England, Inc.

California: Seller offers regulation service, spinning reserve service, and non-spinning reserve service to the California Independent System Operator Corporation ("CAISO") and to others that are self-supplying ancillary services to the CAISO.

MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midcontinent Independent System Operator, Inc. (MISO) and to others that are self-supplying ancillary services to MISO.

Southwest Power Pool: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Southwest Power Pool, Inc. (SPP) and to others that are self-supplying ancillary services to SPP.

Third-party ancillary services: Seller offers Regulation Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, Operating Reserve-Supplemental, and Primary Frequency Response Service. Sales will not include the following: (1) sales to an RTO or an ISO, *i.e.*, where that entity has no ability to self-supply ancillary services but instead depends on third parties; and (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except where the Commission has granted authorization. Sales of Regulation Service and Reactive Supply and Voltage Control Service will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

8. **Seller Category.** Seller is a Category 1 Seller, as defined by 18 C.F.R. 35.36(a), in all regions.
9. **Effective Date.** This Tariff is effective on the date specified by the Commission. This Tariff shall continue in effect until terminated or changed in accordance with any applicable regulatory requirements.

ATTACHMENT B

**BEACON SOLAR 4, LLC
BLACKLINE TARIFF**

1. **Availability.** Seller will make wholesale electric energy, capacity, and ancillary services available under this Tariff to any purchaser, except as prohibited below.
2. **Applicability.** This Tariff is applicable to all sales of energy, capacity, and ancillary services by Seller not otherwise subject to a particular rate schedule of Seller.
3. **Rates.** All sales shall be made at the rates established between the purchaser and Seller.
4. **Other Terms and Conditions.** All other terms and conditions shall be established by agreement between the purchaser and Seller.
5. **Compliance with Commission Regulations.** Seller shall comply with the provisions of 18 C.F.R. Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller's market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this Tariff or otherwise restricts or limits the Seller's market-based rate authority. Failure to comply with the applicable provisions of 18 C.F.R. Part 35, Subpart H, and with any orders of the Commission concerning Seller's market-based rate authority, will constitute a violation of this Tariff.
6. **Limitations and Exemptions Regarding Market Based Rate Authority.** Seller does not have any limitations on its market-based rate authority except as otherwise provided in this Tariff. The Commission granted Seller in Docket No. ER16-~~1738~~-000 the following waivers and blanket authorization: (a) waiver of Subparts B and C of Part 35 of the Commission's regulations requiring the filing of cost-of-service information, except for sections 35.12(a), 35.13(b), 35.15 and 35.16; (b) waiver of the requirements of Part 41 and Part 101, with the exception that waiver of the provisions of Part 101 that apply to hydropower licensees is not granted with respect to licensed hydropower projects; (c) waiver of Part 141 of the Commission's regulations concerning accounting and reporting requirements, with the exception of 18 C.F.R. §§ 141.14 and 141.15; and (d) blanket approval as to Section 204 of the FPA and Part 34 of the Commission's regulations for all future issuances of securities and debt and assumption of liabilities.
7. **Ancillary Services.**

PJM: Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, L.L.C. ("PJM") and, where the PJM Open Access Transmission Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

New York: Seller offers regulation and frequency response service, and operating reserve service (which include 10-minute non-synchronous, 30-minute operating reserves, 10-minute spinning reserves, and 10-minute non-spinning reserves) for sale to purchasers in the market administered by the New York Independent System Operator, Inc.

New England: Seller offers regulation and frequency response service (automatic generator control), operating reserve service (which includes 10-minute spinning reserve, 10-minute non-spinning reserve, and 30-minute operating reserve service) to purchasers within the markets administered by the ISO New England, Inc.

California: Seller offers regulation service, spinning reserve service, and non-spinning reserve service to the California Independent System Operator Corporation ("CAISO") and to others that are self-supplying ancillary services to the CAISO.

MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midcontinent Independent System Operator, Inc. (MISO) and to others that are self-supplying ancillary services to MISO.

Southwest Power Pool: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Southwest Power Pool, Inc. (SPP) and to others that are self-supplying ancillary services to SPP.

Third-party ancillary services: Seller offers Regulation ~~and Frequency Response~~ Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, ~~and~~ Operating Reserve-Supplemental, and Primary Frequency Response Service. Sales will not include the following: (1) sales to an RTO or an ISO, *i.e.*, where that entity has no ability to self-supply ancillary services but instead depends on third parties; and (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except where the Commission has granted authorization. Sales of Regulation ~~and Frequency Response~~ Service and Reactive Supply and Voltage Control Service will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

8. **Seller Category.** Seller is a Category 1 Seller, as defined by 18 C.F.R. 35.36(a), in all regions.
9. **Effective Date.** This Tariff is effective on the date specified by the Commission. This Tariff shall continue in effect until terminated or changed in accordance with any applicable regulatory requirements.

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served the foregoing document upon each person designated on the official service list compiled by the Secretary in this docket.

DATED: November 29, 2016.

/s/ Jason Johns _____

Jason Johns
STOEL RIVES LLP
Counsel for Beacon Solar 4, LLC