

State of Colorado Geothermal Energy Tax Credit Offering (“GETCO”) Tax Credit Intergovernmental Agreement

Cover Page

State Agency

Colorado Energy Office

Tax Credit Agreement Number

CT 26-2095

Government Owner Name

City and County of Denver

Credit Period Beginning Date

Effective Date

Tax Credit Agreement Reservation Amount

Credit Years 2025 - 2027

Credit Period Expiration Date

December 31, 2027

Tax Credit Amount equal to 30% of Qualified Expenditures not to exceed the Total Tax Credit Reservation Amount

Tax Credit Agreement Authority

This Agreement is pursuant to Colorado Revised Statutes (C.R.S.) § 39-22-552 and the Colorado Energy Office.

Total Tax Credit Reservation Amount for All Credit Years \$4,999,400

Tax Credit Agreement Purpose

Pursuant to CRS §39-22-552, the Colorado Energy Office (“CEO”) through its Geothermal Energy Tax Credit Offering (GETCO) has reserved for the benefit of Owner GETCO Tax Credits, which Owner may earn and claim if it meets the conditions further defined in this Tax Credit Agreement and as required by the statute in effect or hereafter amended.

Exhibits and Order of Precedence

The following Exhibits and attachments are included with this Agreement:

1. C.R.S. § 39-22-552
2. Exhibit A – Owner’s Obligation
3. Exhibit B – Geothermal Energy Tax Credit Offering Tax Year 2025 - 2027 Agreed Upon Procedures.

In the event of a conflict or inconsistency between this Tax Credit Agreement and any Exhibit(s) or attachment, such conflict or inconsistency shall be resolved by reference to the documents in the following order of priority:

4. C.R.S. § 39-22-552
5. Colorado Special Provisions in §13 of the main body of this Tax Credit Agreement.
6. The provisions of the other sections of the main body of this Tax Credit Agreement.
7. Exhibit A, Owner Obligations.
8. Exhibit B, GETCO Tax Year 2024 Agreed Upon Procedures
 - a. Addendum 1: Agreed Upon Procedures: CPA Report
 - b. Addendum 2: Expectations and Procedures for CPA Review of Geothermal Energy Tax Credit
 - c. Addendum 3: Agreed Upon Procedures: Statement of Work

Principal Representatives

For the State: Colorado Energy Office

Name, Title: Lille Haecker, Associate
Program Manager

Department Name: Strategic Initiatives and
Finance

Address: 1600 Broadway Ave Denver, CO
80202

Email: lille.haecker@state.co.us

For Owner:

Name, Title: Jonathan Rogers, Acting
Deputy Executive Director, Office of
Climate Action, Sustainability, and
Resiliency

Owner Name: City and County of Denver

Address: 101 W Colfax Ave, Denver, CO
80202, Suite 800

Email: Jonathan.Rogers@denvergov.org

Signature Page

The Parties hereto have executed this Tax Credit Agreement:

Each person signing this Tax Credit Agreement represents and warrants that he or she is duly authorized to execute this Tax Credit Agreement and to bind the Party authorizing his or her signature.

Owner:

City and County of Denver

By: Nicole Doheny, Chief Financial Officer

Date:

By: Paul Lopez, Clerk and Recorder/Public

Trustee

By: Timothy O'Brien, Auditor

Date:

Date:

By: Michael Johnston, Mayor

*****SEE ATTACHED SIGNATURE PAGE*****

Date:

By: Kristin Brainerd, Assistant City

Attorney

Date:

State of Colorado

Jared S. Polis, Governor

By: Will Toor, Executive Director

Colorado Energy Office

Date:

Will Toor, Executive Director

In accordance with §24-30-202, C.R.S., this Tax Credit Agreement is not valid until signed and dated below by the State Controller or an authorized delegate.

State Controller

Robert Jaros, CPA, MBA, JD

By: Jonathon Bray, Controller, Office of the Governor

Effective Date:

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Parties

This Tax Credit Agreement is entered into by and between Owner named on the Cover Page for this Tax Credit Agreement (the “Owner”), and the STATE OF COLORADO acting by and through the State agency named on the Cover Page for this Tax Credit Agreement (the “State”). By signing this agreement, Owner and the State agree to the terms and conditions in this Tax Credit Agreement.

Term and Effective Date

1. Effective Date

This Tax Credit Agreement shall not be valid or enforceable until the Effective Date. The State shall not be bound by any provision of this Tax Credit Agreement before the Effective Date, and shall have no obligation to issue a Tax Credit Certificate with respect to expenditures made before the Effective Date or after the expiration or sooner termination of this Tax Credit Agreement.

2. Credit Period

The Owner shall complete the study or project and its other obligations within the Credit Period. The relevant Credit Period dates (Effective Date to Expiration Date) and performance timelines are listed on the Cover Page. Owner may request an extension of the Credit Period from CEO, which CEO may approve or deny upon review of the request. If the extension is denied, the Owner will have an opportunity to reapply.

3. Termination

This Tax Credit Agreement shall be void if Owner fails to meet the terms of this Tax Credit Agreement and the attached Statement of Work. The Tax Credit Agreement shall be void if the Owner knowingly claims the credit for which they are not eligible. This can include but is not limited to willfully attempting to evade the tax, making a false statement in connection with a refund claim, and willingly signing a document that the signer does not believe to be true and correct (§39-21-118, C.R.S). The State may cancel its reservation of tax credits if the project is canceled, or Owner fails to meet any of the obligations set forth herein. Cancellations shall only be at the sole discretion of the State and effective in the issuance of a formal letter from the State or Owner.

4. Early Termination in the Public Interest

The State is entering into this Tax Credit Agreement to serve the public interest of the State of Colorado as determined by its Governor, General Assembly, or Courts. If this Tax Credit Agreement ceases to further the public interest of the State, the State, in its discretion, may terminate this Tax Credit Agreement in whole or in part. A determination that this Tax Credit Agreement should be terminated in the public interest shall not be equivalent to a State right to terminate for convenience.

a. Method and Content

The State shall notify the Owner of such termination in accordance with §11. The notice shall specify the effective date of the termination and whether it affects all or a portion of this Tax Credit Agreement, and shall include, to the extent practicable, the public interest justification for the termination.

Definitions

The following terms shall be construed and interpreted as follows:

- A. **“Annual Tax Credit Cost Certificate Request”** means the three annual reports that the Owner will be submitting 60 days after the end of their Federal Income Tax Year to be issued a Tax Credit Cost Certificate. This report includes both financial and programmatic information updates.
- B. **“Breach of Tax Credit Agreement”** means the failure of a Party to perform any of its obligations in accordance with this Tax Credit Agreement, in whole or in part or in a timely or satisfactory manner. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Owner, or the appointment of a receiver or similar officer for Owner or any of its property, which is not vacated or fully stayed within 30 days after the institution of such proceeding, shall also constitute a breach. If Owner is debarred or suspended under §24-109-105, C.R.S. at any time during the term of this Agreement, then such debarment or suspension shall constitute a breach.
- C. **“Business Day”** means any day in which the State is open and conducting business, but shall not include Saturday, Sunday or any day on which the State observes one of the holidays listed in §24-11-101(1), C.R.S.
- D. **“Certified Public Accountant (CPA)”** means a licensed accounting professional who has met all of the requirements of a state board of accountancy.
- E. **“CPA Report”** means the audited Annual Tax Credit Cost Certificate Request Report.
- F. **“Closed Loop System”** is also known as a closed-loop geothermal heat pump system or ground-source heat pump system, is a type of geothermal heating and cooling system that uses the Earth's relatively stable underground temperatures to provide energy-efficient heating, cooling, and hot water for buildings.
- G. **Colorado Energy Office or ‘Office’** is created in section 24-38.5-101.
- H. **“CORA”** means the Colorado Open Records Act, §§24-72-200.1, *et seq.*, C.R.S.
- I. **“Department of Revenue (DOR)”** means the Colorado Department of Revenue created in section 24-35-101, C.R.S..

- J. **“Disallowed Expenditures”** means any GETCO related expenditure that the CEO has determined to be beyond the scope of the purpose of the tax credit, excessive or otherwise unallowable.
- K. **“Drilling”** means boring into the Earth to access geothermal resources, usually with oil and gas drilling equipment that has been modified to meet geothermal requirements.
- L. **“Dry Steam Power Plant”** means a dry steam plant uses hydrothermal fluids that are already mostly steam, a relatively rare natural occurrence. The steam is drawn directly to a turbine, which drives a generator that produces electricity. After the steam condenses, it is frequently reinjected into the reservoir.
- M. **“Effective Date”** means the date on which this Agreement is approved and signed by the Colorado State Controller or designee, as shown on the Signature Page for this Agreement.
- N. **“Exploration and Development Phase”** means the exploration and development of the identified geothermal wellfield to generate geothermal energy, coproduction of geothermal energy, or storage. The purpose of this phase is to cost-effectively collect new geoscientific data to minimize uncertainty related to estimates of key reservoir parameters (temperature, depth, extent, porosity, permeability, etc.) prior to the Test Drilling Phase.
- O. **“Feasibility Phase”** means a feasibility report is compiled to provide both the developer and potential financiers with confidence in the commercial viability of the project. The feasibility report typically is in two parts: the technical report and the financial report.
- P. **“Field Development Phase”** means drilling of production and reinjection wells to support the proposed power production.
- Q. **“Exhibits”** means the exhibits and attachments included with this Agreement as shown on the Cover Page for this Agreement.
- R. **“Geothermal”** means of or relating to the Earth's interior heat.
- S. **“Geothermal Energy”** means the Earth's interior heat made available to humanity by extracting it from hot water or rocks.
- T. **“Geothermal Electricity Project”** means a project in Colorado that is intended to evaluate and develop a geothermal resource for the purpose of electricity production, that meets the standards developed pursuant to section 39-22-552(5), C.R.S. and that involves any of the following:
- i. The exploration and development of wells;
 - ii. Drilling exploration and confirmation wells;

- iii. The use of any heat extracted with produced fluids in an oil and gas operation if the heat is only utilized to reduce emissions from the operation in the same location as the well from which it was produced and would otherwise not be economically feasible as a stand-alone geothermal energy project;
 - iv. Drilling injection wells;
 - v. Flow testing;
 - vi. Reservoir engineering;
 - vii. Geothermal energy storage;
 - viii. Coproduction of geothermal energy including for industrial uses or thermal energy networks;
 - ix. Power generation equipment; or
 - x. Studies to identify and explore resources that may be suitable for geothermal electricity generation and may include hydrogen generation or utilization of direct air capture technology.
- U. **“Geothermal Energy Project”** means a Geothermal Electricity Project, Thermal Energy Network, or a Thermal Energy Network Study.
- V. **“Geothermal Energy Tax Credit Offering”** (GETCO) means the refundable, merit-based tax credit allowed by section 39-22-552, C.R.S.
- W. **“Geothermal Power Plant”** is a facility that generates electricity using the natural heat of the Earth, typically from hot water or steam found in geothermal reservoirs underground. Geothermal power plants harness this heat energy to drive turbines connected to generators, which produce electricity. There are three main types of geothermal power plant technologies: dry steam, flash steam, and binary cycle.
- X. **“Geothermal System”** is a combination of heat source, heat transfer mechanism, heat trap, fluid source, fluid pathways, fluid trap, and geothermal reservoir that together provide the conditions for the accumulation of a geothermal resource.
- Y. **“Geothermal Well”** means a well that is constructed for the purpose of exploration, or use of a geothermal resource, for reinjection of a geothermal fluid. The term "Geothermal Well" does include loop fields, but does not include a well subject to the provisions of Articles 90 and 92 of Title 37, C.R.S. (2003), wells subject to the jurisdiction of the Colorado Energy and Carbon Management Commission (ECMC) pursuant to Article 60 of Title 34, C.R.S. (2003), or wells subject to the jurisdiction of the Mined Land Reclamation Board pursuant to Articles 32 and 33 of Title 34, C.R.S. (2003).
- Z. **“Greenhouse Gas”** means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride.

- AA. **“Party”** means the State or Owner, and **“Parties”** means both the State and Owner.
- BB. **“Project”** means the Geothermal Energy project approved by the CEO for which Owner is seeking a Tax Credit Certificate pursuant to section 39-22-552, C.R.S., and this Tax Credit Agreement.
- CC. **“Owner Tax Year”** means the owner’s taxable year determined pursuant to article 22 of title 39, C.R.S.
- DD. **“Qualified Expenditures”** means the total monetary cost approved by the Office and expended during the Credit Period by the Owner in connection with the Project. Eligible costs can be found in the respective GETCO Standards and Guidelines and the attached Statement of Work.
- EE. **“Study”** means a scoping, (Pre-) feasibility or detailed engineering design studies for geothermal electricity projects or Thermal Energy Network systems (39-22-552(2)(f)(X)).
- FF. **“State Fiscal Rules”** means the fiscal rules promulgated by the Colorado State Controller pursuant to §24-30-202(13)(a), C.R.S.
- GG. **“State Fiscal Year”** means a 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year. If a single calendar year follows the term, then it means the State Fiscal Year ending in that calendar year.
- HH. **“State Records”** means any and all State data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.
- II. **“Subcontractor”** means any third party engaged by Owner to aid in the performance of the work.
- JJ. **“Tax Credit Agreement”** means this Tax Credit Agreement, including all attached Exhibits, all documents incorporated by reference, all referenced statutes, rules and cited authorities, and any future modifications thereto.
- KK. **“Tax Credit Amount”** means the amount of credit the Owner may claim as a credit against tax pursuant to section 39-22-552, C.R.S., as certified by the Office in the Tax Credit Cost Certificate.
- LL. **“Tax Credit Cost Certificate”** means the certificate issued by the Office pursuant to section 39-22-552(4)(e), C.R.S..
- MM. **“Tax Credit Reservation Amount”** means the amount reserved for the benefit of Owner pursuant to section 39-22-552(4), C.R.S., as set forth on the Cover Page of this Tax Credit Agreement.
- NN. **“Thermal Energy Network”** has the same meaning as set forth in section 39-22-554 (2)(n).

- OO. **“Thermal Energy Network Study”** means an energy and emissions scoping study, a feasibility study, an investment grade energy audit, a detailed engineering design, or a combination of these options that meets or exceeds the standards established by the office.

Any other term used in this Tax Credit Agreement that is defined in an Exhibit shall be construed and interpreted as defined in that Exhibit.

Owner Obligations

Owner shall complete the Project or Study and its obligations as described in this Tax Credit Agreement and in accordance with the provisions of Exhibit A, Owner Obligations and Exhibit B, Tax Year 2024 GETCO Agreed Upon Procedures. The State shall have no liability to issue a Tax Credit Cost Certificate except as specifically set forth in this Agreement.

Tax Credit Reservation

Subject to section 39-22-552, C.R.S., and the provisions set further herein, CEO hereby approves the Project and reserves for the benefit of Owner the Tax Credit Reservation Amount listed on the Cover Page of this Tax Credit Agreement. This reservation does not entitle Owner to the issuance of a Tax Credit Cost Certificate, or to the Tax Credit Amount, unless and until Owner completes the Project and its obligations as described in this Tax Credit Agreement and within the Credit Period.

Reporting

Owner shall submit reports pursuant to Exhibit B, Agreed Upon Procedures in addition to any reports required pursuant to Exhibit A.

Owner Records

A. Maintenance

Owner shall maintain for a minimum of four years after Project or Study completion, a file of all documents, records, communications, notes and other materials relating to the Project or Study (the “Owner Records”). Owner Records shall include all documents, records, communications, notes and other materials maintained by Owner that relate to any Project or Study, and Owner shall maintain all records related to the Project or Study to ensure proper performance of that Project or Study. Owner shall maintain Owner Records until the last to occur of: **(i)** the date four years after the Credit Period, the due date of Owner’s income tax return in the year the final incentive is claimed **(ii)** the final Tax Credit Certificate under this Tax Credit Agreement is issued, **(iii)** the resolution of any pending Tax Credit Agreement, or **(iv)** if an audit is occurring,

or Owner has received notice that an audit is pending, the date such audit is completed and its findings have been resolved (the “Record Retention Period”).

B. Inspection

Owner shall permit the State, the federal government, and any other duly authorized agent of a governmental agency to audit, inspect, examine, excerpt, copy and transcribe Owner Records during the Record Retention Period. Owner shall make Owner Records available during normal business hours at Owner’s office or place of business, or at other mutually agreed upon times or locations, upon no fewer than two Business Days’ notice from the State, unless the State determines that a shorter period of notice, or no notice, is necessary to protect the interests of the State.

C. Monitoring

The State, the federal government, and any other duly authorized agent of a governmental agency, in its discretion, may monitor Owner’s performance of its obligations under this Agreement using procedures as determined by the State. The State shall monitor Owner’s performance in a manner that does not unduly interfere with Owner’s performance of the Project or Study.

Conflict of Interest

A. Actual Conflicts of Interest

Owner shall not engage in any business or activities, or maintain any relationships that conflict in any way with the full performance of the obligations of Owner under this Agreement. Such a conflict of interest would arise when a Owner or Subcontractor’s employee, officer or agent were to offer or provide any tangible personal benefit to an employee of the State, or any member of his or her immediate family or his or her partner, related to the award of, entry into or management or oversight of this Agreement.

B. Apparent Conflicts of Interest

Owner acknowledges that, with respect to this Agreement, even the appearance of a conflict of interest shall be harmful to the State’s interests. Absent the State’s prior written approval, Owner shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Owner’s obligations under this Agreement.

C. Disclosure to the State

If a conflict or the appearance of a conflict arises, or if Owner is uncertain whether a conflict or the appearance of a conflict has arisen, Owner shall submit to the State a disclosure statement setting forth the relevant details for the State’s consideration. Failure to promptly submit a disclosure statement or to follow the State’s direction in regard to the actual or apparent conflict constitutes a Breach of Agreement.

- D.** Owner acknowledges that all State employees are subject to the ethical principles described in §24-18-105, C.R.S. Owner further acknowledges that State employees may be subject to the requirements of §24-18-105, C.R.S. with regard to this Agreement.

Insurance

Owner shall obtain and maintain, and ensure that each Subcontractor shall obtain and maintain, insurance as is common in its industry, trade, or profession at all times during the term of this Tax Credit Agreement. CEO reserves the right to ask and review evidence of insurance certificates.

Dispute Resolution

A. Resolution

Except as herein specifically provided otherwise, disputes concerning the performance of this Agreement which cannot be resolved by the designated Agreement representatives shall be referred in writing to a senior departmental management staff member designated by the State and a senior manager designated by Owner for resolution.

Notices and Representatives

Each individual identified as a Principal Representative on the Cover Page for this Agreement shall be the principal representative of the designating Party. All notices required or permitted to be given under this Agreement shall be in writing, and shall be delivered **(A)** by hand with receipt required, **(B)** by certified or registered mail to such Party's principal representative at the address set forth below or **(C)** as an email with read receipt requested to the principal representative at the email address, if any, set forth on the Cover Page for this Agreement. If a Party delivers a notice to another through email and the email is undeliverable, then, unless the Party has been provided with an alternate email contact, the Party delivering the notice shall deliver the notice by hand with receipt required or by certified or registered mail to such Party's principal representative at the address set forth on the Cover Page for this Agreement. Either Party may change its principal representative or principal representative contact information or may designate specific other individuals to receive certain types of notices in addition to or in lieu of a principal representative by notice submitted in accordance with this section without a formal amendment to this Agreement. Unless otherwise provided in this Agreement, notices shall be effective upon delivery of the written notice.

General Provisions

A. Assignment

Owner's rights and obligations under this Tax Credit Agreement are personal and may not be transferred or assigned without the prior, written consent of the State. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Owner's rights and obligations approved by the State shall be subject to the provisions of this Agreement.

B. Binding Effect

Except as otherwise provided in §12.A, all provisions of this Tax Credit Agreement, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.

C. Authority

Each Party represents and warrants to the other that the execution and delivery of this Tax Credit Agreement and the performance of such Party's obligations have been duly authorized.

D. Captions and References

The captions and headings in this Tax Credit Agreement are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions. All references in this Tax Credit Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

E. Counterparts

This Tax Credit Agreement may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

F. Entire Understanding

This Tax Credit Agreement represents the complete integration of all understandings between the Parties related to the GETCO Tax Credit, and all prior representations and understandings related to the GETCO Tax Credit, oral or written, are merged into this Tax Credit Agreement. Prior or contemporaneous additions, deletions, or other changes to this Tax Credit Agreement shall not have any force or effect whatsoever, unless embodied herein.

G. Digital Signatures

If any signatory signs this Tax Credit Agreement using a digital signature in accordance with the Colorado State Controller Agreement, Contracts, Grant and Purchase Order Policies regarding the use of digital signatures issued under the State Fiscal Rules, then any agreement or consent to use digital signatures within the electronic system through which that signatory signed shall be incorporated into this Tax Credit Agreement by reference.

H. Modification

Except as otherwise provided in this Tax Credit Agreement, any modification to this Agreement shall only be effective if agreed to in a formal amendment to this Tax Credit Agreement,

properly executed and approved in accordance with applicable Colorado State law and State Fiscal Rules. Modifications permitted under this Tax Credit Agreement, other than Tax Credit Agreement amendments, shall conform to the policies issued by the Colorado State Controller.

I. Statutes, Regulations, Fiscal Rules, and Other Authority

Any reference in this Tax Credit Agreement to a statute, regulation, State Fiscal Rule, fiscal policy or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended since the Effective Date of this Tax Credit Agreement.

J. External Terms and Conditions

Notwithstanding anything to the contrary herein, the State shall not be subject to any provision included in any terms, conditions, or agreements appearing on Owner's or a Subcontractor's website or any provision incorporated into any click-through or online agreements related to the Work unless that provision is specifically referenced in this Tax Credit Agreement.

K. Severability

The invalidity or unenforceability of any provision of this Tax Credit Agreement shall not affect the validity or enforceability of any other provision of this Tax Credit Agreement, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Tax Credit Agreement in accordance with the intent of this Tax Credit Agreement.

L. Survival of Certain Tax Credit Agreement Terms

Any provision of this Tax Credit Agreement that imposes an obligation on a Party after termination or expiration of this Tax Credit Agreement shall survive the termination or expiration of this Tax Credit Agreement and shall be enforceable by the other Party.

M. Third Party Beneficiaries

Except for the Parties' respective successors and assigns described in § 12.A, this Tax Credit Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Tax Credit Agreement and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Tax Credit Agreement are incidental to this Tax Credit Agreement, and do not create any rights for such third parties.

N. Waiver

A Party's failure or delay in exercising any right, power, or privilege under this Tax Credit Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.

O. CORA Disclosure

To the extent not prohibited by federal law, this Tax Credit Agreement and the performance measures and standards required under §24-106-107, C.R.S., if any, are subject to public release through the CORA.

P. Standard and Manner of Performance

Owner shall perform its obligations under this Tax Credit Agreement in accordance with the highest standards of care, skill and diligence in Owner's industry, trade, or profession.

Q. Licenses, Permits, and Other Authorizations

Owner shall secure, prior to the Effective Date, and maintain at all times during the term of this Agreement, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Agreement, and shall ensure that all employees, agents and Subcontractors secure and maintain at all times during the term of their employment, agency or subcontract, all license, certifications, permits and other authorizations required to perform their obligations in relation to this Agreement.

R. Accessibility

Owner shall comply with and the Work Product provided under this Agreement shall be in compliance with all applicable provisions of §§24-85-101, *et seq.*, C.R.S., and the *Accessibility Standards for Individuals with a Disability*, as established by the Governor's Office Of Information Technology (OIT), pursuant to Section §24-85-103 (2.5), C.R.S. Owner shall also comply with all State of Colorado technology standards related to technology accessibility and with Level AA of the most current version of the Web Content Accessibility Guidelines (WCAG), incorporated in the State of Colorado technology standards.

The State may require Owner's compliance to the State's Accessibility Standards to be determined by a third party selected by the State to attest to Owner's Work Product and software is in compliance with §§24-85-101, *et seq.*, C.R.S., and the *Accessibility Standards for Individuals with a Disability* as established by the Office of Information Technology pursuant to Section §24-85-103 (2.5), C.R.S.

Colorado Special Provisions

These Special Provisions apply to all Agreements except where noted in italics.

A. Governmental Immunity

Liability for claims for injuries to persons or property arising from the negligence of the Parties, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the Colorado Governmental Immunity Act, §24-10-101, *et seq.*, C.R.S.; the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, §§24-30-1501, *et seq.* C.R.S. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of

any of the immunities, rights, benefits, protections, or other provisions, contained in these statutes.

B. Compliance with Law

Owner shall comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

C. Choice of Law, Jurisdiction, and Venue

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. All suits or actions related to this Agreement shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

D. Prohibited Terms

Any term included in this Agreement that requires the State to indemnify or hold Owner harmless; requires the State to agree to binding arbitration; limits Owner's liability for damages resulting from death, bodily injury, or damage to tangible property; or that conflicts with this provision in any way shall be void ab initio. Nothing in this Agreement shall be construed as a waiver of any provision of §24-106-109, C.R.S.

E. Employee Financial Interest/Conflict of Interest §§24-18-201 and 24-50-507, C.R.S.

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Agreement. Owner has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Owner's services and Owner shall not employ any person having such known interests.

Exhibit A

Project Description

Parties:

State:

Lille Haecker, Associate Program Manager at CEO

lille.haecker@state.co.us

Colorado Energy Office

1600 Broadway, Suite 1960

Denver, CO 80202

For Owner:

Name, Title: Jonathan Rogers, Acting Deputy Executive Director, Office of Climate Action, Sustainability, and Resiliency

Owner Name: City and County of Denver

Address: 101 W Colfax Ave, Denver, CO 80202, Suite 800

Email: Jonathan.Rogers@denvergov.org

Phone: 203-912-4664

The Colorado Energy Office has decided that Owner is eligible to receive GETCO tax credits if it meets the conditions further defined herein in this Tax Credit Agreement and as required by the statute currently in effect or hereafter amended.

This Project or Study is aligned with CEO's vision and mission, and GETCO's department-specific goals in accordance with the tax credit statute, which provides for this office to administer the tax credit incentive for the development of thermal energy networks and electricity generation from geothermal sources. Further explanation of the specific Project or Study is captured in Exhibit B, Addendum 3: Statement of Work.

Obligations and Timeline

Owner qualifies as a Colorado Owner for a Tax Credit Amount equal to 30% of Qualified Expenditures not to exceed the Tax Credit Reservation Amount on Cover Page for making Qualified Expenditures in connection with the Project. The Owner shall not claim more than 30% of the Qualified Expenditures for each tax year.

All Qualified Expenditures must be made during Credit Period Start Date and Agreement Expiration Date (Credit Period End Date).

All Qualified Expenditures and reporting must adhere to the GETCO Agreed Upon Procedures, attached and incorporated herein by reference as Exhibit A and B. Any work done outside of the Credit Period is not eligible to be included as a Qualified Expenditure. The only reporting requirement eligible as a Qualified Expenditure are the Annual Project Development Reports, and the Project Completion Report if work is done within the Credit Period.

Ownership

Owner retains the exclusive rights, title, and ownership to any and all equipment, materials, or studies owned by the Owner. The State has no ownership rights in any of Owner's equipment, materials, or studies.

Acceptance Criteria

The Tax Credit Cost Certificate will only be issued if the requirements of section §39-22-552, C.R.S., and this Tax Credit Agreement, are met. Owner may not claim the Tax Credit Amount on their income tax return until a Tax Credit Cost Certificate is issued. Owner may only claim the Tax Credit Amount certified by CEO in a Tax Credit Cost Certificate for the tax year in which Owner made the Qualified Expenditures to which the Tax Credit Certificate relates. Owner is allowed to submit only three Tax Credit Cost Certificates over the three year Credit Period, unless otherwise previously approved by the CEO.

Owner is required to submit a CPA Report, by a Colorado-based and CEO-approved CPA, annually to be eligible in receiving a Tax Credit Certificate.

The Owner must submit the Annual Tax Credit Cost Certificate Request and the CPA Report requirements no later than 60 days after December 31 of each eligible income tax year. If the Owner's Tax Year is not a calendar year, required deadlines for submitting reports to be issued a Tax Credit Certificate shall be outlined in the Statement of Work. Owner may request a 30 day extension for submitting the Annual Tax Credit Cost Certificate Report within 45 days of the 60 day due date. Approval of the extension request is at the Office's discretion.

Program Manager or authorized agent of the State will monitor project work performance per the outlined schedule of deliverables and timeline set forth in section 2 of this Exhibit A.

Reporting

A. Mid-Year Development Progress Report

From the Credit Period Start Date until the Credit Period End Date the total awarded Tax Credit Reservation Amount is allowed to be claimed. During this three year period, the Owner is required to submit a Mid-Year Development Progress Report to CEO once per year summarizing progress made towards Project goals and objectives. The Mid-Year Report should include financial and programmatic updates and progress, similar to the report required under the Annual Tax Credit Cost Certificate Request, and any other information outlined by the CEO. Owner is

required to submit one Mid-Year Report 6 months after the start of the Owner's Income Tax Year.

CEO acknowledges that the Project details may evolve between the GETCO application period and the tax year for which a GETCO Tax Credit is reserved. CEO requires written approval between the Owner and CEO for significant changes made to the Project or Study, and encourages applicants to limit such changes to the greatest extent feasible. Any proposed changes to the Project or Study will be explained in the Mid-Year Development Progress Reports. It is up to the discretion of the CEO to approve or deny if the proposed changes can be included in the awarded Project's scope. A template for the Mid-Year Development Progress Report is available and will be provided after the TCA is executed.

Mid-Year Reports will include the total accumulated Qualified Expenditures for the current tax year, progress towards Project or Study goals and objectives, any new or updates on previously identified risks and risk mitigation strategies, and any other objectives outlined in the Statement of Work.

B. Billing and Procedures: Annual Tax Credit Cost Certificate Request

The Owner must submit a Tax Credit Cost Certificate Request 60 days after December 31 of each eligible income tax year. If the Owner's income tax year differs from the calendar year, deadlines for the Annual Tax Credit Cost Certificate Request and other reporting requirements will be outlined in the Statement of Work.

The Annual Tax Credit Cost Certificate Request shall include the total dollar amount of the accumulated Qualified Expenditures during that income tax year, the 30% request of the Qualified Expenditures, the CPA Report, a formal request for the issuance of a Cost Certificate, and a signed Required Declaration. In addition, the Owner must include receipts, justification or explanation of the specific costs associated with the Qualified Expenditure and timing of completed Qualified Expenditure related costs for the claimed income tax year. Other additional information required by the Owner pertaining to the Project or Study will be outlined in the Statement of Work. A template for the Annual Tax Credit Cost Certificate Request is available and will be provided after the TCA is executed. The Annual Tax Credit Cost Certificate Request report will include, but is not limited to the following:

- i. Financial/Expenditure** – Tracking of Qualified Expenditures for each tax year. Owner must provide CEO with an Annual Tax Credit Cost Certificate Request of Qualified Expenditures for each Owner Tax Year. Owner will only receive a Tax Credit Cost Certificate for Qualified Expenditures made during each year of the Credit Period.
- ii. Programmatic** – A technical account of all Project- or Study-related work performed, project objectives, results initially estimated and achieved (including but

not limited to the total GETCO investment realized and to the extent available, effects of the project on gas use, electricity use, emissions and energy costs), technology implemented, successes/challenges/lessons learned, changes to original project scope, operational summary. The Annual Report also includes accomplishments, work products developed, project participants and other collaborating organizations, project impacts, and any changes or problems. Report should account for compliance with applicable project-related codes and requirements, whether local, state, or federal. This report will be publicly available.

iii. Compliance with all applicable project-related codes and requirements, whether local, state, or federal.

Please note, prior to submission to CEO, all reporting and requests must be audited by a licensed Certified Public Accountant that is not affiliated with the applicant. Find requirements for the information needed in Exhibit B.

For each Owner Tax Year within the Credit Period, CEO will review the submitted Annual Tax Credit Cost Certificate Request, and verify that it satisfies the information provided by the applicant in their application. If CEO determines that the scope of the Project or Study for that tax year and all reporting requirements are complete, CEO will issue a Tax Credit Cost Certificate for no more than 30% of the Qualified Expenditures for that tax year with the Department of Revenue. The total dollar amount of 30% of the Qualified Expenditures over the Credit Period shall not exceed the amount awarded. Recipients will claim the credit by filing the Tax Cost Credit Certificate with their state income tax returns with the Colorado Department of Revenue.

C. CPA Annual Report

Owner shall retain a Certified Public Accountant to review and report in writing, and in accordance with professional standards, regarding the accuracy of the financial documents that detail the Qualified Expenditures made in connection with the Project or Study at the expense of the Owner. The Certified Public Accountant's written report shall include documentation of the Owner's actual expenditures, including its actual Qualified Expenditures. When the Owner provides a copy of the Certified Public Accountant's written report, and the Owner certifies in writing to the Office that the amount of the Owner's actual Qualified Expenditures is accurate and the correct percentage of Qualified Expenditures is being asked for in the Cost Certificate. The Office shall conduct a review of the Certified Public Accountant's written report to ensure the requirements are met.

The Certified Public Accountant described above must be licensed to practice in the state of Colorado and must be both paid for by the Owner and approved by CEO. Certified Public Accountant reviews and written reports that do not comply with the statutory requirements above, or the GETCO policies as specified in Exhibit B, will not be accepted, thus preventing the issuance of a Tax Credit Certificate to the Owner.

- i. **Required Declaration** – Every report required to be submitted by Owner to the Office pursuant to this Tax Credit Agreement shall be signed by Owner (or by a duly authorized officer, partner, or member of Owner) and shall include the following declaration:

“I understand this report is being made in connection with a return or claim for refund for a tax administered by the Colorado Department of Revenue. Under penalty of perjury, I declare that this report is true and correct as to every material matter to the best of my knowledge and belief.”

Tax Credit Certificate Issuance

Satisfactory performance under the terms of this Tax Credit Agreement shall be a condition precedent to CEO’s obligation to issue a Tax Credit Cost Certificate to Owner. The Owner shall not request more than 30% or lesser than \$4,999,400 of the Qualified Expenditures for each Owner Tax Year, not to exceed the Tax Credit Reservation Amount over the Credit Period. The Tax Credit Certificate will be issued within 3 weeks of approval of the CPA-audited Annual Tax Credit Cost Certificate Request. The Owner is required to submit the Tax Credit Certificate with their annual income taxes.

Note: If Tax Credit Cost Certificate credit amount exceeds the income tax owed by the applicant for the taxable year, any excess credit cannot be carried forward and will be refunded to the Owner. CEO will not issue a Tax Credit Cost Certificate exceeding the approved tax credit reservation amount. If the Owner's incurred costs would result in an excess tax credit amount beyond the reserved amount, the applicant can apply for the issuance of additional tax credits equal to the excess.

Additionally, if the Owner is a Tax-Exempt entity, the Tax Credit Cost Certificate will be refunded to the Owner each income tax year during the Credit Period.

Continued Reporting Requirements

A. Project Completion Report

Projects will be subject to Project Completion Reports due within 90 days after of the Credit Period End Date. Requirements and expectations will be outlined in the Statement of Work.

B. Annual Project Reports

Projects may be subject to annual performance reporting requirements up to four (4) years after the Credit Period has been completed, which will be outlined in the Statement of Work.

C. Additional Reporting

Owner may be subject to additional reporting requirements outlined in the Statement of Work.

Commissioning and Operation Verification

If applicable to the project, the Tax Credit Owner shall undertake a process to ensure all completed systems & equipment are designed, installed, tested, operated, and maintained

according to the design and specifications to ensure proper installation and operation. Assurance will be provided via the submission of a commissioning logbook for the equipment & systems purchased & installed under this Agreement.

Deliverables may include (as applicable to the project):

- i. Documentation including a commissioning logbook and any supporting data to be provided by the Tax Credit Owner
- ii. Additional supporting documentation including, but not limited to, functional testing reports/logs, system operations and maintenance guides

Project Documentation and Records Retention

The Owner must maintain for a minimum of three years after project completion full and accurate records relating to the project(s) credited by GETCO and must ensure adequate control over related parties in the project. The CEO shall be afforded access to such records, and be granted the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon CEO's request, the Owner must furnish all data, reports, contracts, documents, and other information relevant to the project within a reasonable timeframe.

Site Visits and Program Evaluation

Project sites are subject to obligations outlined under **§7.B & §7.C**. Additionally, outlined in the Standards and Guidelines, CEO staff, State of Colorado employees, and other GETCO representatives may require access to the site of a GETCO credited project, before, during &/or within three calendar years of project implementation (i.e. On-site Monitoring Visit). Awarded applicants shall provide such access upon request. Additionally, the CEO may perform program evaluation(s) to aid in continuous program improvement which may take the form of a questionnaire or a more detailed interview with approved tax credit recipients. The CEO may engage with Owner to discuss the possibility of creating a success story/case study of a project upon project completion, with participation in such an activity voluntary.

Exhibit B, Colorado Energy Office's GETCO Agreed Upon Procedures

Purpose/Statutory Requirement:

In accordance with Colorado Revised Statutes §39-22-552(4)(e), and GETCO policy, a Certified Public Accountant is necessary to review and report in writing the accuracy of the financial documents submitted by the Owner. Said Certified Public Accountant must be licensed to practice in the state of Colorado and must be both paid for by the Owner and approved by CEO. Certified public accountant reviews and written reports that do not comply with the statutory requirements above or the GETCO policies listed below will not be accepted, thus preventing the issuance of a Tax Credit Certificate to Owner.

Following is a *draft* report, an outline of the minimum necessary procedures and reporting to be performed by the Certified Public Accountant.

Owner cannot claim more than the total Tax Credit Reservation Amount which is valid for the Credit Period. Owner cannot claim more than 30% reimbursement of the Qualified Expenditures for each eligible Owner tax year, unless otherwise specified by the CEO. Owner may request an extension of the Credit Period from CEO, which CEO may approve or deny upon review of the request. If the extension is denied, the Recipient will have an opportunity to reapply.

Every report required to be submitted by Owner to the Office pursuant to this Tax Credit Agreement shall be signed by Owner (or by a duly authorized officer, partner, or member of Owner) and shall include the following declaration:

“I understand this report is being made in connection with a return or claim for refund for a tax administered by the Colorado Department of Revenue. Under penalty of perjury, I declare that this report is true and correct as to every material matter to the best of my knowledge and belief.”

Exhibit B Addendum 1

DRAFT CPA REPORT

[CPA Firm Street Address]

[CPA Firm City, State, Zip]

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

[Entity]

[Entity]

[Entity City, State]

Colorado Energy Office

In accordance with Colorado Revised Statutes §39-22-552, [CPA name or CPA firm name] (“[Abbreviated CPA name or CPA firm name]” or “we”) has performed the procedures enumerated below, which were agreed to by [Entity] (the “Owner”) and the Colorado Energy Office’s Geothermal Energy Tax Credit Offering (“GETCO”), in order to report compliance with Colorado Revised Statutes §39-22-552 and the GETCO “Agreed Upon Procedures” document regarding actual qualified expenditures for the period from [CEO Approval Date](Calculation Start Date) through [End Date of Agreement], as specified in [Agreement Name/#]. The Owner’s management is solely responsible for its compliance with the specified requirements. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. [Abbreviated CPA name or CPA firm name] obtained the Vendor Spend Report as prepared and provided to us by [Owner] and presented as exhibit B. We performed the following procedures:

- a. Verify that expenses reported were paid by the Owner

[This procedure was performed without exception. (or list exceptions)]

- b. Verify that expenses occurred within the Calculation Start Date and Agreement expiration date

[This procedure was performed without exception. (or list exceptions)]

- c. Verify that vendor spend is for a qualified expenses as defined by GETCO

[This procedure was performed without exception. (or list exceptions)]

- d. [Include written statement of the Total Qualified Expenditure, the % tax credit, and the dollar value of the tax credit that the Owner was awarded] NOTE: If tax credit certificate credit exceeds the income tax owed by the applicant for the taxable year, any excess credit cannot be carried forward and will be refunded to the Owner. CEO will not issue a tax credit certificate exceeding the approved tax credit reservation amount. If the owner's incurred costs would result in an excess tax credit amount beyond the reserved amount, the applicant can apply for the issuance of additional tax credits equal to the excess.

[This procedure was performed without exception. (or list exceptions)]

- e. [Include a written statement of total project costs incurred]

[This procedure was performed without exception. (or list exceptions)]

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Because standard audit, review, and examination procedures were deemed insufficient by the Colorado Energy Office vendor expenditure verification it requires to qualify GETCO projects, we instead performed the procedures enumerated above, in compliance with the Agreed Upon Procedures document produced by the Colorado Energy Office and Colorado Revised Statutes § 39-22-552.

This report is intended solely for the use of the management of the Owner and GETCO and is not intended to be, and should not be, used by anyone other than the specified parties.

[CPA Signature]

[CPA Printed Name]

[Report Date]

Exhibit B Addendum 2

Expectations and Procedures for CPA Review of Geothermal Energy Tax Credit

NOTE: This document is subject to change pursuant to § 39-22-552, C.R.S.

Introduction:

A licensed Colorado and CEO approved CPA must certify both the total dollar amount of Qualified Expenditures, the Annual Tax Credit Cost Certificate Request, and all required backup documentation provided by the production Owner. For reporting purposes, Qualified Expenditure means the total monetary cost approved by the Colorado Energy Office and expended during the income tax year by an eligible taxpayer (as defined in § 39-22-552(2)(e), C.R.S.) in connection with an approved geothermal energy project (as defined in § 39-22-552(2)(f.5), C.R.S.). In order to certify the total dollar amount of Qualified Expenditures, Vendor Spend Report, and all other required backup documentation, the CPA must verify:

1. ANNUAL TAX CREDIT COST CERTIFICATE REQUEST REPORT:

The Annual Tax Credit Cost Certificate Request Report contains all of the data required by the GETCO for reporting and verification of Qualified Expenditures, as defined below. The CPA must review this report, ensure completeness of the data, and verify the data using the backup documentation submitted by the Owner. The Report should contain each distinct, qualified transaction made during the course of the Project.

The following fields on the Annual Tax Credit Cost Certificate Request Report must be completed by the Owner and verified by the CPA. Following each field name is a description of the field and what must be entered:

- **Vendor Name:** Enter the name of the vendor
- **Address:** Enter the address of the Vendor
- **City:** Enter the city of the vendor
- **State:** Enter the state of the vendor
- **Zip Code:** Enter the zip code of the vendor
- **Contact:** Enter the contact name of the vendor
- **Phone:** Enter the phone number of the vendor
- **Email:** Enter the email address of the vendor
- **Category:** Enter the corresponding category of the purchase
- **Description of Expense:** Enter a description of the purchase
- **Date of Expenditure:** Enter the date the purchase was made

- **Spend:** Enter the amount spent on the item from the vendor

Below are the relevant definitions, calculations, verifications, and required documents needed in order to complete the Vendor Spend Report.

i. Qualified Expenditures

a. Definitions of Qualified Expenses

Qualified Expenses are defined above, and include only payments made to companies and services within the Credit Period and Agreement expiration date in connection with Project activities in Colorado. The following list includes but is not limited to all of the categories of expenditures that would count toward Qualified Expenditures. Refer to the appropriate section in the Standards and Guidelines for a complete list of Qualified and Disallowed Expenditures under GETCO. For GETCO Detailed Engineering and Design, this includes:

- Discussion of system design alternatives and justification for the chosen system design
- Development of detailed engineering design for the thermal energy network, including pipe sizing, layout, and routing.
- Specification of materials and equipment needed, such as pipes, heat exchangers, pumps, control systems, heat transfer fluid, and desuperheaters for domestic hot water (if connected and enabled).
- Discussion of design options for required monitoring and data trending capabilities for system flows, groundwater & heat transfer fluid temperatures, equipment energy consumption, GHP performance monitoring, and other relevant data.
- Modeling of annual energy load profile for all buildings in the proposed thermal energy network, and discussion of how the thermal energy network design will meet this annual load profile.
- Addressing environmental and regulatory requirements
- Creating a construction schedule and cost estimate
- Identification of necessary permits and approvals.

ii. Verification of Vendor Expenses

- Verify that expenses reported were paid by the Owner
- Verify that expenses occurred within the appropriate tax year within the Credit Period
- Verify that vendor spend is for a qualified vendor category (see “Qualifying Vendor Spend” list)

iii. Exclusions from Qualified Vendor Expenses

- Purchases with no receipts
- Expenditures made prior to the Credit Period.
- Preliminary surveys, studies and reviews necessary to proceed to the exploration phase including geological, hydrological and/or hot spring/thermal data, drilling data, anecdotal information from local populations, and remote sensing data from satellites, etc. This includes access and land tenure issues, environmental studies, cataloging active geothermal features, regulatory requirements, etc.
- Administrative costs incurred by the applicant to apply for GETCO
- Conduction & development of program-required technical reports (e.g. energy audits, studies surveys, design, etc.)
- Labor and materials associated with GETCO project management and compliance
- Labor and materials associated with auditing of the GETCO cost certification by a licensed Certified Public Accountant
- Labor associated with the planning of the proposed project
- Project contingency costs
- Fees associated with securing financing
- Legal fees
- Permitting fees
- Interest on borrowed funds
- Plant closure projects
- Taxes & royalties
- Project in-service & performance verification
- Land purchase costs from previous landowner
- Insurance for project execution

iv. Important Cases & Considerations for Vendor Expenses

- Materials/Equipment Purchases – GETCO cannot qualify equipment purchases in which an Owner pays themselves for their own equipment. Exemptions to this clause can be made by providing justification and receiving prior approval from CEO.

v. Documentation Needed for Vender Expense Verification

- Original Receipts, Invoices and/or time and effort report with:
 - Dates
 - Vendor Name

- Vendor Address
- For Projects
 - Equipment/materials purchased
 - Number of units purchased
 - Per unit and extended cost
 - Eligible Installation costs and number of labor hours spent
- For Studies
 - Tasks performed
 - Unit price or hours of labor spent on study
 - Copy of deliverables provided with confidential business information redacted
- Full vendor list from Owner

2. REPORTING:

GETCO requires that certain reports/metrics are contained within the CPA review, separate from the completed Vendor Spend Report. GETCO requires that the following metrics and data are included in the written CPA report:

i. Total Budget (entire project or study, including non-qualified expenditures) as reported by the Owner

- a. NOTE: This amount is usually reported in the initial Proof of Performance. This number should not require any review by the CPA

ii. Statement of Expenditures and Findings

- a. Total Amount of Qualified Expenditure as reported by the Owner
- b. Total Amount of Qualified Expenditure (the sum of a and b) as found in CPA review

- i. Qualified Vendor Expenses

- 1. Qualified Vendor Spend
- 2. Non-Qualified Vendor Expenses (unaudited for non-qualified expenditure)

- ii. Total Amount of Tax Credit (award amount was determined by CEO)

- iii. For each year that the Tax Credit was awarded, the awardee can claim up to 30% reimbursement of Qualified Expenditures, unless otherwise specified by CEO. The total sum of the reservations awarded within the Tax Credit Reservation schedule must not exceed the Total Amount of Tax Credit.

iii. Signed Declaration:

Every Report required to be submitted by Owner to the Office pursuant to this Tax Credit Agreement shall be signed by Owner (or by a duly authorized officer, partner, or member of Owner) and shall include the following declaration:

“I understand this report is being made in connection with a return or claim for refund for a tax administered by the Colorado Department of Revenue. Under penalty of perjury, I declare that this report is true and correct as to every material matter to the best of my knowledge and belief.”

Exhibit B Addendum 3

Expectations and Procedures for Owner

This section is subject to the agreed upon Statement of Work between the awardee and the Colorado Energy Office. The Owner agrees to adhering to and providing all necessary documents and procedures outlined under Exhibit A: Owner Obligations and all Addendums under Exhibit B.

Additionally, the Owner shall comply with the Project's Statement of Work outlined below:

I. Geothermal Energy Tax Credit Offering Description

The Geothermal Energy Tax Credit Offering (GETCO) is authorized by Sections 6 and 7 of House Bill 23-1272 Decarbonization Tax Policy to create refundable merit-based tax incentives that support the use of low- or zero-emission, geothermal energy for electricity generation and space heating and cooling in homes, businesses, and communities. There are two types of Colorado state tax incentive offers under GETCO: the investment tax credit (ITC), and the production tax credit (PTC). **This Statement of Work document focuses on projects awarded for the Investment Tax Credit (ITC).** This Cycle, the CEO released investment for the following:

- Thermal Energy Network Feasibility Studies
- Thermal Energy Network Detailed Design Studies
- Thermal Energy Network Construction / Installation Projects
- Geothermal Electricity Feasibility Studies
- Geothermal Electricity Projects

The City and County of Denver has been awarded a tax credit reservation for the Geothermal Energy Tax Credit ITC Geothermal Thermal Energy Network Detailed Design Study Standards & Guidelines Cycle 2 released on October 1, 2024. Please note that the use of the word "Project" throughout this SOW refers to the approved project *or* study as applicable to the tax credit reservation.

The City and County of Denver is awarded a \$4,999,400 Geothermal Energy Tax Credit Offering reservation for the Credit Period from the Agreement Effective Date to December 31, 2027.

II. Project Description

Project Title: Downtown Denver District Thermal Network Detailed Engineering Design

Owner Name: City and County of Denver

Owner Tax ID Number: 84-6000580

Project Location: Fourteen Buildings near Civic Center Park, encompassing 5.5 million square feet of occupiable space

1. Denver Elections - 200 W 14th Avenue
2. Police Administration Building and Pre-Arrest Detention Facility - 1331 Cherokee Street
 - a. These two buildings are served by common utilities and were considered as a single building for the study.
3. Denver Crime Lab - 1371 Cherokee Street
4. City and County Building - 1431 Bannock Street
5. McNichols Civic Center Building - 144 W Colfax Avenue
6. Denver Public Library Central Branch - 10 W 14th Avenue Parkway
7. Denver Art Museum Hamilton Building - 100 W 14th Avenue
8. Denver Art Museum Martin Building - 100 W 14th Avenue
 - a. The two Denver Art Museum buildings share a common address but are served by separate utility connection and were considered separately for the study.
9. Van Cise-Simonet Justice Center - 490 W Colfax Avenue
10. Lindsey-Flanigan Courthouse - 520 W Colfax Avenue
11. Wellington Webb Municipal Office Building - 201 W Colfax Avenue
12. Minoru Yasui Plaza - 303 W Colfax Avenue
 - a. This facility is not connected to the steam loop and is heated via the natural gas service.
13. The Colorado Convention Center - 700 14th Street

Project Credit Period: Agreement Effective Date to December 31, 2027

Project Scope Completion Date: July 31, 2027

Project Overview:

The "Downtown Denver District Thermal Network Detailed Engineering Design" study focuses on designing a modern multisource district thermal energy system, referred to as the "Ambient Loop," which will deliver simultaneous heating and cooling services using a common ambient temperature water loop. The project aims to complete the engineering design work needed for Denver to formalize specifications, equipment selection, and a phased transition of municipal buildings to this ambient loop. The study aims to confirm the feasibility of the project and address any concerns.

Total Estimated Eligible Costs	\$16,697,600
Maximum GETCO Tax Reservation	\$4,999,400
% of Project Funding Cost Coverage	30%
Total Estimated Annual GHG Emissions Prevented Annually	>12,000 MT CO ₂ e
Total GHG Emissions Reduction per Dollar of GETCO Tax Credit Reservation	0.0024 MT CO ₂ e per GETCO Dollar

Project Objectives:

The final Detailed Engineering Design study will include:

- **Detailed engineering designs** for the thermal energy network, including pipe sizing, layout, and routing as well as building-side equipment conversions to work with the ambient loop.
- **Specification of materials and equipment** needed, such as pipes, heat exchangers, pumps, control systems, heat transfer fluid, and desuperheaters for domestic hot water (if connected and enabled).
- **Design options** for required monitoring and data trending capabilities for system flows, groundwater & heat transfer fluid temperatures, equipment energy consumption, GHP performance monitoring, and other relevant data.
- **Modeling of annual energy load profile** for all buildings in the proposed thermal energy network, and how the thermal energy network design will meet this annual load profile.
- Information on **compliance with environmental and regulatory requirements**.
- **Construction schedule and cost estimate**.
- Information on **necessary permits and approvals**.
- The initial engineering and design report including the above details will be delivered to the CEO by 12/31/2026.

Project Team:

- **Administrative Team:**
 - Jonathan Rogers, Acting Deputy Executive Director (Office of Climate Action)
 - Drew Halpern, Senior Energy Project Manager
- **Contractor**
 - Denver has released an RFP to identify the contractor(s) needed for the execution of this project. The City and County of Denver will email the CEO once contractor(s) have been selected, and their names will be integrated into this SOW.

III. Tasks, Deliverables and Timeline

The following tasks outline the tax credit terms, detailing the specific requirements and expectations for the Tax Credit Owner. Compliance with these tasks, associated deliverables, and stipulated timelines is essential for the Tax Credit Owner to receive tax credit investment for the project. The Tax Credit Owner is therefore obligated to execute the outlined work tasks and submit the corresponding deliverables to the CEO within the prescribed deadlines.

State Accessibility Requirements

Any work product deliverables must comply with the State of Colorado accessibility technical standards related to technology accessibility and with Level AA of the most current version of the Web Content Accessibility Guidelines, currently WCAG 2.1.

The State may require that compliance to the State's accessibility standards for any work product be determined by a third party selected by the State.

Please refer to the Vendor Accessibility Guide for more information on the State's accessibility requirements.

Administration

The Owner shall follow all necessary requirements outlined in Exhibit A: Owner Obligations in the Tax Credit Agreement. The following Administrative Tasks are to be completed in addition to what is outlined in Exhibit A of the Tax Credit Agreement. Please note that the Tax Credit Owner is not eligible to claim any of the following administrative and reporting deliverables under Task 1 as a Qualified Expenditure in their Tax Credit Cost Certificate requests. A detailed Statement of Work schedule of

task due dates can be found in the below Project Budget and Tax Reservation Conditions section, subsection III.

Task 1.1. Kick-off Meeting

A kick-off meeting between the Tax Credit Owner with the CEO will be held within 2 weeks and no later than 45 days of Agreement execution and will establish the expectations of Tax Credit Owner for implementing this Agreement. The meeting shall include, but not be limited to, a review of the project implementation timeline, the Owner's strategy to implement the project and associated deliverables, and a review of this Agreement to ensure clear understanding of expectations and requirements.

Deliverable(s): PowerPoint slides developed by the Tax Credit Owner containing the project timeline, implementation strategy and associated deliverables. Other meeting materials developed as appropriate.

Deadline: Within 45 days of Agreement Execution unless otherwise agreed upon in writing by both parties.

Task 1.2. Mid-Year Development Progress Reports

GETCO Owners will be required to submit one Mid-Year Development Progress Report six (6) months after the start of the Owner's Income Tax Year for each eligible Tax Year. If a Tax Credit Reservation is granted for three Income Tax Years, Owner will be required to submit three Reports, one per Income Tax Year.

Mid-Year Progress Development Reports will include the total accumulated Qualified Expenditures for the current Income Tax Year, progress towards Project goals and objectives, any new or updates on previously identified risks and risk mitigation strategies, and any other information deemed influential to the Project's scope. Any modifications to the awarded Project will be explained in the Mid-Year Project Development Progress Report with it being up to the discretion of the CEO to approve or deny whether the proposed changes will be eligible as a Qualified Expenditure for the Tax Credit for that specific Income Tax Year.

Deliverables(s): Mid-Year Development Progress Reports will include the total accumulated Qualified Expenditures for the current Income Tax Year, progress towards project goals and objectives, any new or updates on previously identified risks and risk mitigation strategies, and any other objectives previously stated in the Statement of Work. A template for the Mid-Year Development Progress Report is available and will be provided after the TCA is executed.

Deadline: Six (6) months after the start of the Owner's Income Tax Year. Mid-Year Progress Reports are only accepted during the Credit Period. The first report due date

may be modified upon an agreement in writing between CEO and Owner if the Execution Date of this Agreement falls under six months.

Task 1.3. Billing and Procedures: Annual Tax Credit Cost Certificate Request

The Owner must submit a Tax Credit Cost Certificate Request no later than 60 days after December 31 of each eligible Income Tax Year. Deadlines for the Annual Tax Credit Cost Certificate Request will be outlined here:

City and County of Denver [84-6000580]	Beginning Income Tax Year	End Income Tax Year	Due date of Request (no later than 90 days after end of income tax year)
Year 1 of Credit Period*	Agreement Effective Date	December 31, 2025	March 1, 2026
Year 2 of Credit Period	January 1, 2026	December 31, 2026	March 1, 2027
Year 3 of Credit Period	January 1, 2027	December 31, 2027	March 1, 2028

*The Owner will only be compensated for completed Qualified Expenditures during the Credit Period.

The Owner may request a 30-day extension for submitting the Annual Tax Credit Cost Certificate Report within 45 days of the 60-day due date. Approval of the extension request is at the Office's discretion.

The Annual Tax Credit Cost Certificate Request shall include the following components:

- Total dollar amount of the accumulated Qualified Expenditures during the Income Tax Year
- 30% request of the Qualified Expenditures up to the maximum GETCO Reservation of \$4,999,400.
- CPA report by a Colorado-based and CEO-approved CPA report.
- Short justification or explanation of the specific costs associated with the Qualified Expenditure and timing of completed Qualified Expenditure related costs for the claimed income tax year.
- Final Programmatic Report (see below for details)
- Formal request for the issuance of a Cost Certificate Signed Required Declaration.

Please refer to Exhibit A: Sections 5-7 of the Tax Credit Agreement for more detailed information regarding each of these requirements.

Included in this Request, The Owner shall submit a final programmatic report that includes the following information:

- **Programmatic Report:** A technical account of all project-related work performed, project objectives, results initially estimated and achieved (including but not limited to the total GETCO investment realized and to the extent available, effects of the project on gas use, electricity use, emissions and energy costs), technology implemented, successes/challenges/lessons learned, changes to original project scope, operational summary. The Annual Report also includes accomplishments, work products developed, project participants and other collaborating organizations, project impacts, and any changes or problems. Report should account for compliance with applicable project-related codes and requirements, whether local, state, or federal. This report will be publicly available.
- **Compliance with all applicable project-related codes and requirements, whether local, state, or federal.**
- Other additional information required by the Owner pertaining to the Project will be outlined herein:
 - The Detailed Engineering Design study with confidential information redacted. Classification of confidential information must be agreed upon the Owner and CEO.

Please note, prior to submission to CEO, the Annual Tax Credit Cost Certificate Request report must be audited by a licensed Certified Public Accountant that is not affiliated with the Owner. Find requirements for the information needed in Exhibit B of the Tax Credit Agreement. For each eligible tax year within the Credit Period, CEO will review the submitted Tax Credit Cost Certificate Request and verify that it satisfies the information provided by the applicant in their application. If CEO determines that the scope of the Project for that tax year and all reporting requirements are complete and verified, CEO will issue a Tax Credit Certificate for no more than the lesser of 30% or \$4,999,400 of the Qualified Expenditures for that tax year. The total dollar amount of 30% of the Qualified Expenditures over the Credit Period shall not exceed the amount awarded. Owners will claim the credit by filing the tax credit certificate with their state income tax returns with the Colorado Department of Revenue.

Owner may not claim the Tax Credit Amount until a Tax Credit Cost Certificate is issued. Owner may only claim the Tax Credit Amount certified by CEO in a Tax Credit

Cost Certificate for the tax year in which Owner made the Qualified Expenditures to which the Tax Credit Certificate relates. Owner is allowed to submit only three Tax Credit Cost Certificates over the three-year Credit Period.

Deliverable(s): Annual Tax Credit Cost Certificate Request Report

Deadline: No later than 60 days after December 31 of each eligible income tax year. The Owner may request a 30-day extension for submitting the Annual Tax Credit Cost Certificate Report within 45 days of the 60-day due date. Approval of the extension request is at the Office's discretion.

FOR TAX EXEMPT ENTITIES:

CEO will issue Tax Credit reservation certificates in the same manner to all eligible taxpayers including tax-exempt entities and tribal governments. For tax year 2024, DOR is implementing a new income tax return type (form DR 0990) for governments (including tribal governments) and nonprofits that are claiming refundable credits and that have no other tax liability. In those cases, the full amount of the credit will be refunded when they file that return, claim the credit, and attach the credit certificate. Governments and nonprofits that have unrelated business taxable income will continue to file a corporate income tax return (DR 0112) to calculate the tax due on that income and claim any credits they are allowed. The credit will first offset the tax liability, and any remainder will be refunded.

Task. 1.4. Additional Reporting

The awarded Owner may be subject to additional reporting based on the project or study type. The requirements concerning additional reporting are outlined below:

The City and County of Denver will not be subject to additional reporting.

Task 1.5 Project Completion Report

Projects will be subject to Project Completion Reports.

Deliverable: CEO will provide a Notification of Completion report template. This report is separate from the final CPA-audited Annual Tax Credit Cost Certificate Request Report. Unless, if the Project scope end date falls within the Q4 of the calendar year, the Owner should submit the Project Completion Report with the final Tax Credit Cost Certificate Request.

Deadline: The Owner is required to submit this Notification within 90 days after the Credit Period End Date.

Task 1.6 Annual Project Reports

Projects are subject to annual performance reporting requirements up to four (4) years after the Credit Period has been completed and Tax Credit(s) has been claimed. The Owner is required to submit Annual Reports to the CEO affirming continued ownership, operational status, and GHG avoidance/ reduction contributions of the awarded GETCO project.

Deadline: The Owner is required to submit Annual Reports by January 31st, and for three (3) years thereafter, for a total of four (4) annual reports. The third CPA-audited Annual Tax Credit Cost Certificate Request Report, claimed in the final year of the Credit Period, will count as the first Annual Report for Task 1.6.

Final Project Deliverables - Thermal Energy Networks

Upon completion of the study or project, the Owner is required to submit the following final project deliverables:

Task 2.1. Thermal Energy Network Study Deliverable(s):

The detailed engineering design shall meet State Accessibility Requirements and include the following documentation/information:

- Discussion of system design alternatives and justification for the chosen system design
- Development of detailed engineering design for the thermal energy network, including pipe sizing, layout, and routing.
- Specification of materials and equipment needed, such as pipes, heat exchangers, pumps, control systems, heat transfer fluid, and desuperheaters for domestic hot water (if connected and enabled).
- Discussion of design options for required monitoring and data trending capabilities for system flows, groundwater & heat transfer fluid temperatures, equipment energy consumption, GHP performance monitoring, and other relevant data.
- Modeling of annual energy load profile for all buildings in the proposed thermal energy network, and discussion of how the thermal energy network design will meet this annual load profile.
- Addressing environmental and regulatory requirements
- Creating a construction schedule and cost estimate
- Identification of necessary permits and approvals.

Deadline: July 31, 2027

IV. Site Visits and Evaluation

CEO staff, State of Colorado employees, or other GETCO representatives may require access to the site of a GETCO-awarded project, before, during and/or within four calendar years of equipment installation (i.e. On-site Monitoring Visit). Tax credit Owners shall provide such access upon request. Please refer to the Auditing Requirements document found in the Cycle 2 GETCO Google Drive folder for more information. Additionally, CEO may perform program evaluation(s) to aid in continuous program improvement which may take the form of a questionnaire or a more detailed interview. CEO may engage with Owner to discuss the possibility of creating a success story/case study of a project upon project completion, with participation in such an activity voluntary.

V. Commissioning & Operation Verification

If applicable to the project, the Tax Credit Owner shall undertake a process to ensure all completed systems & equipment are designed, installed, tested, operated, and maintained according to the design and specifications to ensure proper installation and operation. Assurance will be provided via the submission of a commissioning logbook for the equipment & systems purchased & installed under this Agreement.

Deliverables may include (as applicable to the project):

- Documentation including a commissioning logbook and any supporting data to be provided by the Tax Credit Owner
- Additional supporting documentation including, but not limited to, functional testing reports/logs, system operations and maintenance guides

VI. Project Documentation & Records Retention

The Owner must maintain for a minimum of three years after project completion full and accurate records relating to the project(s) credited by GETCO and must ensure adequate control over related parties in the project. The CEO shall be afforded access to such records, and be granted the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon CEO's request, the Owner must furnish all data, reports, contracts, documents, and other information relevant to the project within a reasonable timeframe.

Project Budget and Tax Reservation Conditions

I. Qualified Expenditures

The following items are eligible expenditures under this Agreement:

- Expenses associated with the conduction and completion of the Detailed Engineering Design Study, which consist of the deliverables outlined in Task 2.

Table 1. Tasks Eligible for GETCO Investment

Task Number	Task Eligible for GETCO Investment (Yes / No / N/A)
Task 1	
Task 1.1	No
Task 1.2	No
Task 1.3	Yes
Task 1.4	No
Task 1.5	No
Task 1.6	No
Task 2	
Task 2.1	Yes

II. Project Budget

The table below details the estimated budget for the Qualified Project Expenditures under GETCO, CEO agrees to allow investment up to 30% of Total Estimated Project

Cost. The Owner agrees to pay the additional costs required to complete the Project and fulfill this Statement of Work.

Table 2. Project Budget Summary

2. Total 3. Estimated Cost	4. GETCO Tax Credit Amount	5. Percentage of Total Estimated Cost	6. Estimated Total Expenditures Per Income Tax Year 7.
\$16,697,600	Up to \$4,999,400	30%	Year 1: \$1,669,760 Year 2: \$10,018,560 Year 3: \$5,009,280

III. Statement of Work Project / Study Schedule

8. Task	9. Estimated Time Frame
Credit Period Effective Date and End Date:	Agreement Effective Date - December 31, 2027
Task 1.1: Kick-off Meeting	Within 45 days of {Effective Date}
Task 1.2: Mid-Year Development Progress Reports	June 30, 2025, June 30, 2026, June 30, 2027
Task 1.3: Annual Tax Credit Cost Certificate Request	March 1, 2026, March 1, 2027, March 1, 2028
Task 1.4: Additional Reporting	N/A
Task 1.5 Project Completion Report	Within 90 days of December 31, 2027
Task 1.6 Annual Project Reports	January 31, 2027, January 31, 2028, January 31, 2029

Task 2:	July 31, 2027
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Contract Control Number: CASR-202581103-00
Contractor Name: Colorado Energy Office

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at
Denver, Colorado as of:

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By:

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

Attorney for the City and County of Denver

By:

By:

By:

Contract Control Number:
Contractor Name:

CASR-202581103-00
Colorado Energy Office

By: *****See Attached Signature Page*****

Name: _____
(please print)

Title: _____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)