

# Offtake Agreement Documentation

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*Please refer to Attachment X – Generator Interconnection Procedures, Section 3.9.1.2.*

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***MISO offers the following guidance in reference to Expedited Resource Addition Study (ERAS) offtake agreements:***

- From [ERAS Informational Guide](#):
  - All ERAS applications must be accompanied by an executed agreement evidencing that the project submitted for ERAS processing is intended to be used by the entity with the claimed resource adequacy and/or reliability need.
  - Agreements that are generally not legally binding, such as Letters of Intent (LOI), Memorandums of Understanding (MOU), or Term Sheets, will not be considered sufficient to meet the offtake agreement requirement.
- MISO's ERAS Informational Guide only states that the offtake agreement must be "legally binding". In other words, it must be an actual "agreement" and not merely a proposal that parties may consider. This is required to show that an actual commercial relationship exists between the offtaker and the generator owner. ERAS is only intended for highly certain projects that respond to a specific resource adequacy or reliability need. Importantly, MISO's ERAS Informational Guide does not require that any specific terms be included. Nor does it prevent parties from amending their agreements to fill in more details later.

***Similar requirements exist in MISO business rules for evaluating Site Control documentation:***

- In general, MISO does not accept Letter of Intent or Memorandum of Understanding documents for Site Control and MISO will not accept those documents for ERAS projects. The agreement must be legally binding and

provide rights to a generator to build on the land utilized for Site Control.

Similarly, an offtake agreement must be legally binding such that a specific load will be supplied by the ERAS project. LOIs and MOUs do not generally meet that criteria.

- In general, a Memorandum of Understanding is not binding to establish a legal agreement to provide or take supply from the ERAS project.
  - MISO will need the executed agreements showing the Interconnection Customer does have a legally binding agreement to supply a specifically identified load with their ERAS project.
- In general, Letters of Intent are non-binding and therefore are not accepted.
  - It must be a signed agreement or other document that legally connects the ERAS project with the offtaker.

***Further guidance:***

- In general, a term sheet is a non-binding document outlining the key terms and conditions of a potential investment or business transaction and is not admissible.
  - It simply serves as a blueprint for a future legally binding agreement, such as an investment contract or merger agreement.