UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number: 001-32347

ORMAT TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**88-0326081**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*
6140 Plumas Street, Reno, Nevada	**89519-6075**
(Address of principal executive offices)	*(Zip Code)*

(775) 356-9029
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

As of July 30, 2021, the number of outstanding shares of common stock, par value $0.001 per share, was 55,997,406.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	ORA	NYSE

ORMAT TECHNOLOGIES, INC.

FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2021

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Certain Definitions

Unless the context otherwise requires, all references in this quarterly report to "*Ormat*", "*the Company*", "*we*", "*us*", "*our company*", "*Ormat Technologies*" *or* "*our*" *refer to Ormat Technologies, Inc. and its consolidated subsidiaries.*

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENT

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2021	December 31, 2020
	(Dollars in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 250,009	$ 448,252
Marketable securities at fair value	45,960	—
Restricted cash and cash equivalents (primarily related to VIEs)	79,868	88,526
Receivables:		
Trade less allowance for credit losses of $419 and $597, respectively (primarily related to VIEs)	137,688	149,170
Other	11,881	17,987
Inventories	28,526	35,321
Costs and estimated earnings in excess of billings on uncompleted contracts	13,837	24,544
Prepaid expenses and other	20,220	15,354
Total current assets	587,989	779,154
Investment in unconsolidated companies	103,890	98,217
Deposits and other	57,347	66,989
Deferred income taxes	124,284	119,299
Property, plant and equipment, net ($2,037,735 and $1,978,220 related to VIEs, respectively)	2,175,637	2,099,046
Construction-in-process ($241,954 and $198,812 related to VIEs, respectively)	531,634	479,315
Operating leases right of use ($7,130 and $4,712 related to VIEs, respectively)	19,765	16,347
Finance leases right of use ($256 and $7,001 related to VIEs, respectively)	7,633	11,633
Intangible assets, net	185,508	194,421
Goodwill	24,863	24,566
Total assets	$ 3,818,550	$ 3,888,987
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 108,408	$ 152,763
Billings in excess of costs and estimated earnings on uncompleted contracts	13,452	11,179
Current portion of long-term debt:		
Limited and non-recourse (primarily related to VIEs):		
Senior secured notes	25,144	24,949
Other loans	36,265	35,897
Full recourse	56,843	17,768
Operating lease liabilities	2,978	2,922
Finance lease liabilities	3,139	3,169
Total current liabilities	246,229	248,647
Long-term debt, net of current portion:		
Limited and non-recourse (primarily related to VIEs):		
Senior secured notes (less deferred financing costs of $4,852 and $5,318, respectively)	301,330	315,195
Other loans (less deferred financing costs of $7,716 and $8,557, respectively)	267,310	284,928
Full recourse:		
Senior unsecured bonds (less deferred financing costs of $1,906 and $2,086, respectively)	674,643	717,534
Other loans (less deferred financing costs of $1,251 and $1,340, respectively)	54,961	59,556
Operating lease liabilities	16,531	12,897
Finance lease liabilities	5,190	9,104
Liability associated with sale of tax benefits	101,883	111,476
Deferred income taxes	88,156	87,972
Liability for unrecognized tax benefits	3,464	1,970
Liabilities for severance pay	17,691	18,749
Asset retirement obligation	65,342	63,457
Other long-term liabilities	6,094	6,235
Total liabilities	1,848,824	1,937,720
Commitments and contingencies (Note 10)		
Redeemable noncontrolling interest	9,871	9,830
Equity:		
The Company's stockholders' equity:		
Common stock, par value $0.001 per share; 200,000,000 shares authorized; 55,997,406 and 55,983,259 issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	56	56
Additional paid-in capital	1,267,451	1,262,446
Retained earnings	565,222	550,103
Accumulated other comprehensive income (loss)	(7,646)	(6,620)
Total stockholders' equity attributable to Company's stockholders	1,825,083	1,805,985
Noncontrolling interest	134,772	135,452
Total equity	1,959,855	1,941,437
Total liabilities, redeemable noncontrolling interest and equity	$ 3,818,550	$ 3,888,987

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
Revenues:				
Electricity	$ 133,864	$ 128,685	$ 278,852	$ 271,541
Product	7,410	43,701	16,053	91,112
Energy storage	5,627	2,514	18,348	4,360
Total revenues	146,901	174,900	313,253	367,013
Cost of revenues:				
Electricity	83,736	71,950	163,587	143,318
Product	5,924	34,709	13,998	71,687
Energy storage	5,266	2,855	10,046	4,804
Total cost of revenues	94,926	109,514	187,631	219,809
Gross profit	51,975	65,386	125,622	147,204
Operating expenses:				
Research and development expenses	1,128	1,172	2,004	2,791
Selling and marketing expenses	3,988	4,854	8,264	9,648
General and administrative expenses	18,240	11,870	36,846	28,615
Business interruption insurance income	—	(585)	—	(2,982)
Operating income	28,619	48,075	78,508	109,132
Other income (expense):				
Interest income	808	441	1,071	843
Interest expense, net	(18,626)	(19,785)	(37,642)	(37,058)
Derivatives and foreign currency transaction gains (losses)	658	671	(16,208)	1,064
Income attributable to sale of tax benefits	7,420	5,672	13,775	9,804
Other non-operating income (expense), net	(21)	304	(352)	382
Income from operations before income tax and equity in earnings (losses) of investees	18,858	35,378	39,152	84,167
Income tax provision	(4,268)	(11,766)	(7,275)	(29,914)
Equity in earnings (losses) of investees, net	605	1,658	1,147	923
Net income	15,195	25,270	33,024	55,176
Net income attributable to noncontrolling interest	(2,169)	(2,224)	(4,739)	(6,097)
Net income attributable to the Company's stockholders	$ 13,026	$ 23,046	$ 28,285	$ 49,079
Comprehensive income:				
Net income	15,195	25,270	33,024	55,176
Other comprehensive income (loss), net of related taxes:				
Change in foreign currency translation adjustments	416	921	(1,410)	276
Change in unrealized gains or losses in respect of the Company's share in derivatives instruments of unconsolidated investment	(1,234)	(653)	2,521	(5,408)
Change in unrealized gains or losses in respect of a cross currency swap derivative instrument that qualifies as a cash flow hedge	198	—	(2,600)	—
Change in unrealized gains or losses on marketable securities available-for-sale (net of related tax of $0)	9	—	(11)	—
Other changes in comprehensive income	17	12	33	17
Comprehensive income	14,601	25,550	31,557	50,061
Comprehensive income attributable to noncontrolling interest	(2,301)	(2,763)	(4,298)	(6,249)
Comprehensive income attributable to the Company's stockholders	$ 12,300	$ 22,787	$ 27,259	$ 43,812
Earnings per share attributable to the Company's stockholders:				
Basic:	0.23	0.45	0.51	0.96
Diluted:	0.23	0.45	0.50	0.95
Weighted average number of shares used in computation of earnings per share attributable to the Company's stockholders:				
Basic	55,992	51,043	55,990	51,040
Diluted	56,316	51,362	56,502	51,448

The accompanying notes are an integral part of the condensed consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	The Company's Stockholders' Equity							
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Noncontrolling Interest	Total Equity
	Shares	Amount						
	(Dollars in thousands, except per share data)							
Balance at December 31, 2019	51,032	$ 51	$ 913,150	$ 487,873	$ (8,654)	$ 1,392,420	$ 122,990	$ 1,515,410
Cumulative effect of changes in accounting principles	—	—	—	(755)	—	(755)	—	(755)
Adjusted balance as of the beginning of the year	51,032	51	913,150	487,118	(8,654)	1,391,665	122,990	1,514,655
Stock-based compensation	—	—	1,989	—	—	1,989	—	1,989
Exercise of stock-based awards by employees and directors (*)	4	—	—	—	—	—	—	—
Cash paid to noncontrolling interest	—	—	—	—	—	—	(3,007)	(3,007)
Cash dividend declared, $0.11 per share	—	—	—	(5,614)	—	(5,614)	—	(5,614)
Increase in noncontrolling interest	—	—	—	—	—	—	1,447	1,447
Net income	—	—	—	26,033	—	26,033	3,543	29,576
Other comprehensive income (loss), net of related taxes:								
Foreign currency translation adjustments	—	—	—	—	(258)	(258)	(387)	(645)
Change in respect of derivative instruments designated for cash flow hedge	—	—	—	—	13	13	—	13
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of unconsolidated investment	—	—	—	—	(4,755)	(4,755)	—	(4,755)
Amortization of unrealized gains in respect of derivative instruments designated for cash flow hedge	—	—	—	—	(8)	(8)	—	(8)
Balance at March 31, 2020	51,036	$ 51	$ 915,139	$ 507,537	$ (13,662)	$ 1,409,065	$ 124,586	$ 1,533,651
Balance as of the beginning of the period	51,036	$ 51	$ 915,139	$ 507,537	$ (13,662)	$ 1,409,065	$ 124,586	$ 1,533,651
Stock-based compensation	—	—	2,264	—	—	2,264	—	2,264
Exercise of stock-based awards by employees and directors (*)	31	—	—	—	—	—	—	—
Cash dividend declared, $0.11 per share	—	—	—	(5,719)	—	(5,719)	—	(5,719)
Increase in noncontrolling interest in U.S. Geothermal	—	—	—	—	—	—	1,307	1,307
Net income	—	—	—	23,046	—	23,046	1,982	25,028
Other comprehensive income (loss), net of related taxes:								
Currency translation adjustment	—	—	—	—	382	382	539	921
Loss in respect of derivative instruments designated for cash flow hedge	—	—	—	—	17	17	—	17
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of unconsolidated investment (net of related tax of $0)	—	—	—	—	(653)	(653)	—	(653)
Amortization of unrealized gains in respect of derivative instruments designated for cash flow hedge (net of related tax of $6)	—	—	—	—	(5)	(5)	—	(5)
Balance at June 30, 2020	51,067	$ 51	$ 917,403	$ 524,864	$ (13,921)	$ 1,428,397	$ 128,414	$ 1,556,811
Balance at December 31, 2020	55,983	$ 56	$ 1,262,446	$ 550,103	$ (6,620)	$ 1,805,985	$ 135,452	$ 1,941,437
Stock-based compensation	—	—	2,097	—	—	2,097	—	2,097
Exercise of stock-based awards by employees and directors (*)	1	—	—	—	—	—	—	—
Stock issuance costs reimbursement	—	—	285	—	—	285	—	285
Cash paid to noncontrolling interest	—	—	—	—	—	—	(3,898)	(3,898)
Cash dividend declared, $0.12 per share	—	—	—	(6,718)	—	(6,718)	—	(6,718)
Net income	—	—	—	15,259	—	15,259	2,290	17,549
Other comprehensive income (loss), net of related taxes:								
Foreign currency translation adjustments	—	—	—	—	(1,253)	(1,253)	(573)	(1,826)
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of unconsolidated investment	—	—	—	—	3,755	3,755	—	3,755
Change in unrealized gains or losses in respect of a cross currency swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	(2,798)	(2,798)	—	(2,798)
Unrealized gains (losses) in respect of investment in marketable securities (net of related tax of $0)	—	—	—	—	(20)	(20)	—	(20)
Other comprehensive income (loss)	—	—	—	—	16	16	—	16
Balance at March 31,2021	55,984	$ 56	$ 1,264,828	$ 558,644	$ (6,920)	$ 1,816,608	$ 133,271	$ 1,949,879
Balance as of the beginning of the period	55,984	$ 56	$ 1,264,828	$ 558,644	$ (6,920)	$ 1,816,608	$ 133,271	$ 1,949,879
Stock-based compensation	—	—	2,623	—	—	2,623	—	2,623

Exercise of stock-based awards by employees and directors (*)	13	—	—	—	—	—	—	—
Cash paid to noncontrolling interest	—	—	—	—	—	—	(426)	(426)
Cash dividend declared, $0.12 per share	—	—	—	(6,448)	—	(6,448)	—	(6,448)
Net income	—	—	—	13,026	—	13,026	1,795	14,821
Other comprehensive income (loss), net of related taxes:								
Currency translation adjustment	—	—	—	—	284	284	132	416
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of unconsolidated investment (net of related tax of $0)	—	—	—	—	(1,234)	(1,234)	—	(1,234)
Change in unrealized gains or losses in respect of a cross currency swap derivative instrument that qualifies as a cash flow hedge	—	—	—	—	198	198	—	198
Amortization of unrealized gains in respect of derivative instruments designated for cash flow hedge (net of related tax of $6)	—	—	—	—	17	17	—	17
Change in unrealized gains or losses on marketable securities available-for-sale (net of related tax of $0)	—	—	—	—	9	9	—	9
Balance at June 30,2021	55,997	$ 56	$ 1,267,451	$ 565,222	$ (7,646)	$ 1,825,083	$ 134,772	$ 1,959,855

(*) Resulted in an amount lower than $1 thousand.

The accompanying notes are an integral part of the condensed consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited)

	Six Months Ended June 30,	
	2021	2020
	(Dollars in thousands)	
Cash flows from operating activities:		
Net income	$ 33,024	$ 55,176
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	85,539	74,859
Accretion of asset retirement obligation	1,911	1,545
Stock-based compensation	4,720	4,253
Income attributable to sale of tax benefits, net of interest expense	(9,408)	(5,538)
Equity in earnings of investees	(1,147)	(923)
Mark-to-market of derivative instruments	1,096	(2,043)
Loss on disposal of property, plant and equipment	81	801
Loss (gain) on severance pay fund asset	105	38
Deferred income tax provision	(4,528)	19,731
Liability for unrecognized tax benefits	1,494	666
Changes in operating assets and liabilities, net of businesses acquired:		
Receivables	9,926	(24,831)
Costs and estimated earnings in excess of billings on uncompleted contracts	10,707	18,888
Inventories	6,795	(3,983)
Prepaid expenses and other	(4,866)	1,719
Change in operating lease right of use asset	1,422	1,865
Deposits and other	(319)	1,048
Accounts payable and accrued expenses	(37,714)	10,009
Billings in excess of costs and estimated earnings on uncompleted contracts	2,273	2,844
Liabilities for severance pay	(1,058)	84
Change in operating lease liabilities	(1,153)	(1,634)
Other long-term liabilities	(56)	(220)
Net cash provided by operating activities	98,844	154,354
Cash flows from investing activities:		
Purchase of marketable securities	(47,621)	—
Maturities of marketable securities	1,650	—
Capital expenditures	(207,888)	(151,254)
Investment in unconsolidated companies	(2,005)	(7,759)
Decrease (increase) in severance pay fund asset, net of payments made to retired employees	1,352	(14)
Net cash used in investing activities	(254,512)	(159,027)
Cash flows from financing activities:		
Proceeds from long-term loans, net of transaction costs	—	129,407
Repayments of commercial paper and prepayment of loans	—	(46,225)
Proceeds from revolving credit lines with banks	—	1,250,639
Repayment of revolving credit lines with banks	—	(1,191,132)
Cash received from noncontrolling interest	5,390	7,577
Repayments of long-term debt	(36,481)	(31,784)
Stock issuance costs reimbursement	285	—
Cash paid to noncontrolling interest	(5,214)	(3,661)
Payments under finance lease obligations	(1,558)	(1,389)
Deferred debt issuance costs	(232)	(677)
Cash dividends paid	(13,166)	(11,333)
Net cash provided by (used in) financing activities	(50,976)	101,422
Effect of exchange rate changes	(257)	(25)
Net change in cash and cash equivalents and restricted cash and cash equivalents	(206,901)	96,724
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	536,778	153,110
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 329,877	$ 249,834
Supplemental non-cash investing and financing activities:		
Increase (decrease) in accounts payable related to purchases of property, plant and equipment	$ (4,499)	$ (2,226)
Right of use assets obtained in exchange for new lease liabilities	$ 4,673	$ 2,135

The accompanying notes are an integral part of the condensed consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 — GENERAL AND BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements of Ormat Technologies, Inc. and its subsidiaries (collectively, the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial statements. Accordingly, they do not contain all information and notes required by U.S. GAAP for annual financial statements. In the opinion of management, these unaudited condensed consolidated interim financial statements reflect all adjustments, which include normal recurring adjustments, necessary for a fair statement of the Company's condensed consolidated financial position as of June 30, 2021, the condensed consolidated statements of operations and comprehensive income and the condensed consolidated statements of equity for the three and six months ended June 30, 2021 and 2020 and the condensed consolidated statements of cash flows for the six months ended June 30, 2021 and 2020.

The financial data and other information disclosed in the notes to the condensed consolidated financial statements related to these periods are unaudited. The results for the periods presented are not necessarily indicative of the results to be expected for the year.

These condensed unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. The condensed consolidated balance sheet data as of December 31, 2020 was derived from the Company's audited consolidated financial statements for the year ended December 31, 2020 but does not include all disclosures required by U.S. GAAP.

Dollar amounts, except per share data, in the notes to these financial statements are rounded to the closest $1,000.

COVID-19 consideration

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus ("COVID-19") a pandemic. Since that time through the date of this report, the Company has implemented significant measures in order to meet government requirements and preserve the health and safety of its employees, including by working remotely when needed and adopting separate shifts from time to time in its power plants, manufacturing facilities and other locations while at the same time trying to continue operations at close to full capacity in all locations. Since the end of the first quarter of 2021, the Company has experienced, on the one hand, an easing of government restrictions in a number of countries, including in Israel, and on the other hand, a tightening of restrictions in other countries, such as Kenya and Indonesia. The uncertainty around the impact of COVID-19 is expected to continue. With respect to its employees, the Company has not laid-off or furloughed any employees due to COVID-19 and has continued to pay full salaries. In addition, the Company focused efforts on adjusting its operations to mitigate the impact of COVID-19 including managing its global supply chain risks and enhancing its liquidity profile. The Company took prompt steps to manage its expenses including responsible cost cutting measures and in addition, in order to support its capital expenditure and growth plans, the Company raised $419.3 million through long term loans and $339.5 million through a public offering of its common stock in 2020 and more recently, in July 2021, signed two new corporate debt facilities for a total amount of $175.0 million, as further discussed under Note 12 to the condensed consolidated financial statements. As most of the Company's electricity revenues are generated under long term contracts, the majority of which are under a fixed energy rate, the impact of COVID-19 on electricity revenues was limited. Nevertheless, the Company experienced a higher rate of curtailments during 2020 from KPLC in respect of its Olkaria complex and continued to experience certain curtailments in the first half of 2021. In the Product segment, the Company experienced a significant decline in product backlog, which it believes resulted mainly due to the impact of COVID-19 and the unwillingness of potential customers to enter into new commitments at this time. In the second quarter of 2021, the Company started to see a limited recovery that led to an increase in the backlog.

In the Energy Storage segment, revenues are generated primarily from participating in the energy and ancillary services markets and therefore are directly impacted by the prevailing energy prices in those markets.

While the extent and duration of the economic downturn from the COVID-19 pandemic remains unclear, the Company has considered, among other things, whether the global operational disruptions indicate a change in circumstances that may trigger asset impairments and whether it needs to revisit accounting estimates and projections or its expectations about collectability of receivables. Additionally, the Company has considered the potential impacts on its fair value disclosures and on its internal control over financial reporting and while significant uncertainty still exists concerning the magnitude of the impact and duration of the COVID-19 pandemic on the global economy, the Company has determined that there was no triggering event for an impairment with respect to any of its assets nor has there been an adverse change in the probability related to the collectability of its receivables. The Company continues to assess the potential impact of the global economic situation on its consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

Puna Power Plant

On May 3, 2018, the Kilauea volcano located in close proximity to the Company's 38 MW Puna geothermal power plant in the Puna district of Hawaii's Big Island erupted following a significant increase in seismic activity in the area. Before it stopped flowing, the lava covered the wellheads of three geothermal wells, monitoring wells and the substation of the Puna complex and an adjacent warehouse that stored a drilling rig that was also consumed by the lava. The insurance policy coverage for property and business interruption is provided by a consortium of insurers some of which denied the full amount of our claim asserting that our insurance policy has coverage limitations. The Company has filed a lawsuit against those insurers that have not accepted its insurance claim. During the first and second quarters of 2021, the Company did not recognize any insurance income.

The Puna power plant resumed operations in November 2020 following a shut down period as a result of the damage caused by the volcano eruption and during the second quarter of 2021 operated at approximately 25 MW. Recently, the Company completed repair work to a bottoming turbine which increased generating capacity to approximately 28MW. The Company expects the Puna complex to generate approximately 30 MW by the end of 2021. In order to resume operations at full capacity, the Company plans to drill additional wells.

In December 2019, Puna Geothermal Venture ("PGV") and Hawaii Electric Light Company's ("HELCO") subsidiary reached an agreement on an amended and restated power purchase agreement ("PPA") for dispatchable geothermal power to be sold from the Puna complex. The new PPA, which is subject to Public Utility Commission (“PUC”) approval, extends the term until 2052 with an increased contract capacity of 46 MW and fixes the price with no escalation, regardless of changes to fossil fuel pricing. On March 31, 2021, the PUC issued an order suspending the request to approve the PPA application until an environmental review is conducted on the proposed repowering, and ordered the parties to renegotiate the PPA rates. HELCO and PGV have filed motions, which are pending, for reconsideration of the order with the PUC. The existing PPA remains in effect, with its current terms, until the expansion is completed and the repowered plant reaches its Commercial Operation Date ("COD").

The Company continues to assess the accounting implications of these events on its assets and liabilities and whether any related assets may be impaired. As of June 30, 2021, the Company assessed that no impairment was required.

February power crisis in Texas

In February 2021, extreme weather conditions in Texas resulted in a significant increase in demand for electricity on the one hand and a decrease in electricity supply in the region on the other hand. On February 15, 2021, the Electricity Reliability Council of Texas (“ERCOT”) issued an Energy Emergency Alert Level 3 ("EEA 3") prompting rotating outages in Texas. This ultimately led to a significant increase in the Responsive Reserve Service (“RRS”) market prices, where the Company operates its Rabbit Hill battery energy storage facility which provides ancillary services and energy optimization to the wholesale markets managed by ERCOT. Due to the electricity supply shortage, ERCOT restricted battery charging in the Rabbit Hill facility from February 16, 2021 to February 19, 2021, resulting in a limited ability of the Rabbit Hill storage facility to provide RRS. As a result, the Company incurred losses of approximately $9.1 million, net of associated revenues, from a hedge transaction in relation to its inability to provide RRS during that period. Starting February 19, 2021, the Rabbit Hill energy storage facility resumed operation at full capacity.

In addition, the Company recorded a provision for approximately $3.0 million for receivables related to imbalance charges from the grid operator in respect of its demand response operation as it estimated it is probable it may be unable to collect such receivables. The provision for uncollectible receivables is included in "General and administrative expenses" in the condensed consolidated statements of operations and comprehensive income for the first quarter of 2021.

The Company has filed billing disputes with ERCOT related to some of the imbalance charges and revenue allocated to its Demand Response services and customers, the outcome of which may impact the final amount.

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Write-offs of unsuccessful exploration activities

There were no write-offs of unsuccessful exploration activities for the three and six months ended June 30, 2021 and 2020.

Reconciliation of Cash and cash equivalents and restricted cash and cash equivalents

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents as reported on the balance sheet to the total of the same amounts shown on the statement of cash flows:

	June 30, 2021	December 31, 2020	June 30, 2020
		(Dollars in thousands)	
Cash and cash equivalents	$ 250,009	$ 448,252	$ 173,718
Restricted cash and cash equivalents	79,868	88,526	76,116
Total Cash and cash equivalents and restricted cash and cash equivalents	$ 329,877	$ 536,778	$ 249,834

Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of temporary cash investments, marketable securities and accounts receivable.

The Company places its temporary cash investments with high credit quality financial institutions located in the United States ("U.S.") and in foreign countries. At June 30, 2021 and December 31, 2020, the Company had deposits totaling $22.8 million and $18.9 million, respectively, in ten U.S. financial institutions that were federally insured up to $250,000 per account. At June 30, 2021 and December 31, 2020, the Company's deposits in foreign countries amounted to approximately $64.3 million and $72.4 million, respectively.

At June 30, 2021 and December 31, 2020, accounts receivable related to operations in foreign countries amounted to approximately $104.5 million and $111.3 million, respectively. At June 30, 2021 and December 31, 2020, accounts receivable from the Company's primary customers, which each accounted for revenues in excess of 10% of total consolidated revenues for the related period, amounted to approximately 60% and 65% of the Company's trade receivables, respectively.

The Company's revenues from its primary customers as a percentage of total revenues are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Sierra Pacific Power Company and Nevada Power Company	19.5%	17.2%	20.3%	18.3%
Southern California Public Power Authority ("SCPPA")	25.5	20.3	25.2	19.5
Kenya Power and Lighting Co. Ltd. ("KPLC")	17.3	16.0	16.4	15.7

The Company has historically been able to collect on substantially all of its receivable balances. As of June 30, 2021, the amount overdue from KPLC in Kenya was $43.5 million of which $13.2 million was paid during July 2021. These amounts represent an average of 77.2 days overdue. The Company believes it will be able to collect all past due amounts in Kenya. This belief is supported by the fact that in addition to KPLC's obligations under its power purchase agreement, the Company holds a support letter from the Government of Kenya that covers certain cases of KPLC non-payment (such as where caused by government actions/political events). Additionally, the Company continued to experience certain curtailments in the first and second quarters of 2021 by KPLC in the Olkaria complex. The impact of the curtailments is limited as the structure of the PPA secures the vast majority of the Company's revenues with fixed capacity payments unrelated to the electricity actually generated.

In Honduras, as of June 30, 2021, the total amount overdue from ENEE was $7.4 million, none of which was received in July 2021. In addition, due to continuing restrictive measures related to the COVID-19 pandemic in Honduras, the Company may experience additional delays in collection. The Company believes it will be able to collect all past due amounts in Honduras.

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The Company may experience delays in collection in other locations due to the restrictive measures related to the COVID-19 pandemic which were imposed globally to different extents.

See Note 4 - Marketable Securities and under the caption "Marketable Securities" below for additional information regarding investment in marketable securities.

Allowance for credit losses

The Company performs an analysis of potential credit losses related to its financial instruments that are within the scope of ASU 2018-19, Codification Improvements to Topic 325, Financial Instruments – Credit Losses, primarily cash and cash equivalents, restricted cash and cash equivalents, investment in marketable securities, receivables (excluding those accounted under lease accounting) and costs and estimated earnings in excess of billings on uncompleted contracts, based on class of financing receivables which share the same or similar risk characteristics such as customer type and geographic location, among others. The Company estimates the expected credit losses for each class of financing receivables by applying the related corporate default rate which corresponds to the credit rating of the specific customer or class of financing receivables. For trade receivables, the Company applied this methodology using aging schedules reflecting how long the receivables have been outstanding. The Company has also considered the existence of credit enhancement arrangements that may mitigate the credit risk of its financial receivables in estimating the applicable corporate default rate. While significant uncertainty still exists concerning the magnitude of the impact and duration of the COVID-19 pandemic on the global economy, the Company considered the current and expected future economic and market conditions surrounding the COVID-19 pandemic and determined that the estimate of credit losses was not significantly impacted.

The following table describes the changes in the allowance for expected credit losses for the three and six months ended June 30, 2021 and 2020 (all related to trade receivables):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in thousands)		(Dollars in thousands)	
Beginning balance of the allowance for expected credit losses	$ 597	$ 779	$ 597	$ 755
Change in the provision for expected credit losses for the period	(178)	—	(178)	24
Ending balance of the allowance for expected credit losses	$ 419	$ 779	$ 419	$ 779

Revenues from contracts with customers

Contract assets related to our Product segment reflect revenue recognized and performance obligations satisfied in advance of customer billing. Contract liabilities related to the Company's Product segment reflect payments received in advance of the satisfaction of performance under the contract. The Company receives payments from customers based on the terms established in the contracts. Total contract assets and contract liabilities as of June 30, 2021 and December 31, 2020 are as follows:

	June 30, 2021	December 31, 2020
	(Dollars in thousands)	
Contract assets (*)	$ 13,837	$ 24,544
Contract liabilities (*)	$ (13,452)	$ (11,179)

(*) Contract assets and contract liabilities are presented as "Costs and estimated earnings in excess of billings on uncompleted contracts" and "Billings in excess of costs and estimated earnings on uncompleted contracts", respectively, on the condensed consolidated balance sheets. The contract liabilities balance at the beginning of the year was not yet recognized as product revenues during the six months ended June 30, 2021 as a result of performance obligations having not been satisfied yet.

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On June 30, 2021, the Company had approximately $58.6 million of remaining performance obligations not yet satisfied or partly satisfied related to our Product segment. The Company expects to recognize approximately 100% of this amount as Product revenues during the next 24 months.

Disaggregated revenues from contracts with customers for the three and six months ended June 30, 2021 and 2020 are disclosed under Note 9 - Business Segments, to the condensed consolidated financial statements.

Leases in which the Company is a lessor

The table below presents lease income recognized as a lessor:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in thousands)		(Dollars in thousands)	
Lease income relating to lease payments from operating leases	$ 113,113	$ 113,083	$ 238,860	$ 239,159

Marketable securities

The Company's investments in marketable securities consist of debt securities with maturity of up to one year and a high credit rating. The investments in marketable securities are classified as available-for-sale ("AFS") and thus measured at fair value based on quoted market prices. Unrealized gains and losses from AFS debt securities are excluded from earnings and reported net of the related tax effect in "Accumulated other comprehensive income (loss)". Realized gains and losses from sale of marketable securities, as determined on a specific identification basis, as well as interest income earned, are included in earnings. The Company considers available evidence in evaluating potential impairments of its investments, including credit market conditions, credit ratings of the security as well as the duration and extent to which fair value is less than amortized cost. The Company estimates the lifetime expected credit losses for all AFS debt securities in an unrealized loss position under its allowance for credit losses model. The Company assesses the security's credit indicators, including credit ratings when estimating a security's probability of default. If the assessment indicates that an expected credit loss exists, the Company determines the portion of the unrealized loss attributable to credit deterioration and records an allowance for the expected credit loss in earnings. Unrealized gains and losses attributable to non-credit factors are recorded in "Accumulated other comprehensive income (loss)", net of tax. Marketable debt securities with original maturities of three months or less that are readily convertible into a known amount of cash are presented under "Cash and cash equivalents" in the condensed consolidated balance sheets.

Derivative instruments

Derivative instruments (including certain derivative instruments embedded in other contracts) are measured at their fair value and recorded as either assets or liabilities unless exempted from derivative treatment as a normal purchase and sale. Changes in the fair value of derivatives not designated as hedging instruments are recognized in earnings. Changes in the fair value of derivatives designated as cash flow hedging instruments are initially recorded in "Other comprehensive income (loss)" and a corresponding amount is reclassified out of "Accumulated other comprehensive income (loss)" to earnings to offset the remeasurement of the underlying hedge transaction which also impacts the same line item in the consolidated statements of operations and comprehensive income.

The Company maintains a risk management strategy that may incorporate the use of swap contracts, put options, forward exchange contracts, interest rate swaps, and cross-currency swaps to minimize significant fluctuation in cash flows and/or earnings that are caused by oil and natural gas prices, exchange rate or interest rate volatility.

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NOTE 2 — NEW ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements effective in the six months ended June 30, 2021

Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. ASU 2019-12 simplifies the accounting for income taxes by removing certain exceptions to the general principles in ASC 740. The standard is effective for annual periods beginning after December 15, 2020 and interim periods within. The Company adopted ASU 2019-12 on January 1, 2021. The adoption of this update did not have a material impact on the Company's consolidated financial statements.

New accounting pronouncements effective in future periods

There are no new applicable significant accounting pronouncements effective in future periods.

NOTE 3 — INVENTORIES

Inventories consist of the following:

	June 30, 2021	December 31, 2020
	(Dollars in thousands)	
Raw materials and purchased parts for assembly	$ 11,097	$ 14,835
Self-manufactured assembly parts and finished products	17,429	20,486
Total inventories	$ 28,526	$ 35,321

NOTE 4 — MARKETABLE SECURITIES

Marketable securities are presented at fair value and include investments in debt securities classified as available for sale. All marketable securities have maturities of less than a year. Investment in marketable securities is comprised of the following:

	June 30, 2021			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(Dollars in thousands)			
Debt security type:				
Corporate bonds	$ 30,472	$ —	$ (10)	$ 30,707
Commercial paper	11,465	—	—	11,465
Money market funds	17,053	—	—	17,053
Foreign issuers	2,841	—	(1)	2,849
Municipal bonds	920	—	—	938
Total debt securities available for sale	$ 62,751	$ —	$ (11)	$ 63,012

As of June 30, 2021, approximately $17.1 million of debt securities were classified under "Cash and cash equivalents" in the condensed consolidated balance sheets as they met all applicable classification criteria.

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The following table summarizes the fair value and gross unrealized losses of debt securities with unrealized losses aggregated by security type and length of time that the fair value had been below amortized cost, on an individual security basis:

	June 30, 2021			
	Less than 12 months		Greater than 12 months	
	Fair value	Gross unrealized loss	Fair value	Gross unrealized loss
	(Dollars in thousands)			
Debt security type:				
Corporate bonds	$ 30,707	$ (10)	$ —	$ —
Commercial paper	11,465	—	—	—
Money market funds	17,053	—	—	—
Foreign issuers	2,849	(1)	—	—
Municipal bonds	938	—	—	—
Total debt securities available for sale	$ 63,012	$ (11)	$ —	$ —

There were no sales of investments in debt securities during the six months ended June 30, 2021 and 2020.

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NOTE 5— FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value measurement guidance clarifies that fair value is an exit price, representing the amount that would be received upon selling an asset or paid upon transferring a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the fair value measurement guidance are described below:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 — Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following table sets forth certain fair value information at June 30, 2021 and December 31, 2020 for financial assets and liabilities measured at fair value by level within the fair value hierarchy, as well as cost or amortized cost. As required by the fair value measurement guidance, assets and liabilities are classified in their entirety based on the lowest level of inputs that is significant to the fair value measurement.

		June 30, 2021			
		Fair Value			
	Carrying Value at June 30, 2021	Total	Level 1	Level 2	Level 3
	(Dollars in thousands)				
Assets:					
Current assets:					
Cash equivalents (including restricted cash accounts)	$ 30,410	$ 30,410	$ 30,410	$ —	$ —
Marketable securities (including cash equivalents)	63,012	63,012	63,012	—	—
Derivatives:					
Currency forward contracts (2)	458	458	—	458	—
Long-term Assets:					
Cross currency swap (3)	19,316	19,316	—	19,316	—
Liabilities:					
Current liabilities:					
Derivatives:					
Cross currency swap (3)	(562)	(562)	—	(562)	—
Long term liabilities:					
Contingent payables (1)	(2,550)	(2,550)	—	—	(2,550)
	$ 110,084	$ 110,084	$ 93,422	$ 19,212	$ (2,550)

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	Carrying Value at December 31, 2020	December 31, 2020 Fair Value			
		Total	Level 1	Level 2	Level 3
	(Dollars in thousands)				
Assets					
Current assets:					
Cash equivalents (including restricted cash accounts)	$ 28,653	$ 28,653	$ 28,653	$ —	$ —
Derivatives:					
Contingent receivables (1)	111	111	—	—	111
Currency forward contracts (2)	1,554	1,554	—	1,554	—
Long-term assets:					
Cross currency swap (3)	27,829	27,829	—	27,829	—
Liabilities:					
Current liabilities:					
Derivatives:					
Contingent payables (1)	(549)	(549)	—	—	(549)
Cross currency swap (3)	(2,283)	(2,283)	—	(2,283)	—
Long-term liabilities:					
Contingent payables (1)	(2,630)	(2,630)	—	—	(2,630)
	$ 52,685	$ 52,685	$ 28,653	$ 27,100	$ (3,068)

1. These amounts relate to contingent receivables and payables and warrants pertaining to the Guadeloupe power plant purchase transaction, valued primarily based on unobservable inputs and are included within “Prepaid expenses and other”, “Accounts payable and accrued expenses” and “Other long-term liabilities” on June 30, 2021 and December 31, 2020, as applicable, in the condensed consolidated balance sheets with the corresponding gain or loss being recognized within "Derivatives and foreign currency transaction gains (losses)" in the condensed consolidated statements of operations and comprehensive income.

2. These amounts relate to currency forward contracts valued primarily based on observable inputs, including forward and spot prices for currencies, net of contracted rates and then multiplied by notional amounts, and are included within “Receivables, other” on June 30, 2021 and December 31, 2020, in the condensed consolidated balance sheets with the corresponding gain or loss being recognized within “Derivatives and foreign currency transaction gains (losses)” in the condensed consolidated statements of operations and comprehensive income.

3. These amounts relate to cross currency swap contracts valued primarily based on the present value of the cross currency swap future settlement prices for U.S. Dollar ("USD") and New Israeli Shekel ("NIS") zero yield curves and the applicable exchange rate as of June 30, 2021 and December 31, 2020, as applicable. These amounts are included within “Deposits and other” and "Accounts payable and accrued expenses", as applicable, on June 30, 2021 and December 31, 2020 in the condensed consolidated balance sheets. There are no cash collateral deposits on June 30, 2021 and December 31, 2020.

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The following table presents the amounts of gain (loss) recognized in the consolidated statements of operations and comprehensive income on derivative instruments (in thousands):

Derivatives not designated as hedging instruments	Location of recognized gain (loss)	Amount of recognized gain (loss) Three Months Ended June 30,		Amount of recognized gain (loss) Six Months Ended June 30,	
		2021	2020	2021	2020
		(Dollars in thousands)		(Dollars in thousands)	
Swap transaction on RRS prices (1)	Derivative and foreign currency transaction gains (losses)	$ —	$ —	(14,540)	—
Currency forward contracts (1)	Derivative and foreign currency transaction gains (losses)	$ 1,200	$ 1,435	$ (269)	$ 2,525
Derivatives designated as cash flow hedging instruments					
Cross currency swap (2)	Derivative and foreign currency transaction gains (losses)	$ 6,808	$ —	$ (4,294)	$ —

(1) The foregoing currency forward and price swap transactions were not designated as hedge transactions and were marked to market with the corresponding gains or losses recognized within “Derivatives and foreign currency transaction gains (losses)” in the condensed consolidated statements of operations and comprehensive income. The price swap transaction was related to a hedging agreement with a third party that was effective January 1, 2021 under which the Company fixed the price per MWh on a portion of RRS provided by its Rabbit Hill storage facility, as described under Note 1 to the condensed consolidated financial statements. The price swap transaction was terminated effective April 1, 2021.

(2) The foregoing cross currency swap transactions were designated as a cash flow hedge as further described under note 1 to the condensed consolidated financial statements. The changes in the cross currency swap fair value are initially recorded in "Other comprehensive income (loss)" and a corresponding amount is reclassified out of "Accumulated other comprehensive income (loss)" to "Derivatives and foreign currency transaction gains (losses)" to offset the remeasurement of the underlying hedged transaction which also impacts the same line item in the condensed consolidated statements of operations and comprehensive income.

There were no transfers of assets or liabilities between Level 1, Level 2 and Level 3 during the six months ended June 30, 2021.

The following table presents the effect of derivative instruments designated as cash flow hedges on the condensed consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in thousands)		(Dollars in thousands)	
Cross currency swap cash flow hedge:				
Balance in Other comprehensive income (loss) beginning of period	$ 568	$ —	$ 3,366	$ —
Gain or (loss) recognized in Other comprehensive income (loss)	7,006	—	(6,894)	—
Amount reclassified from Other comprehensive income (loss) into earnings	(6,808)	—	4,294	—
Balance in Other comprehensive income (loss) end of period	$ 766	$ —	$ 766	$ —

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The estimated net amount of existing gain (loss) that is reported in "Accumulated other comprehensive income (loss)" as of June 30, 2021 that is expected to be reclassified into earnings within the next 12 months is immaterial. The maximum length of time over which the Company is hedging its exposure to the variability in future cash flow is from the transaction commencement date through June 2031.

The fair value of the Company's long-term debt approximates its carrying amount, except for the following:

	Fair Value		Carrying Amount	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	(Dollars in millions)		(Dollars in millions)	
Olkaria III Loan - DFC	$ 179.3	$ 192.5	$ 165.7	$ 174.7
Olkaria III plant 4 Loan - DEG 2	37.8	40.4	35.0	37.5
Olkaria III plant 1 Loan - DEG 3	33.3	35.8	30.6	32.8
Platanares Loan - DFC	104.6	112.1	92.2	96.3
Amatitlan Loan	21.7	23.5	21.0	22.8
Senior Secured Notes:				
OFC 2 LLC ("OFC 2")	193.4	207.9	179.8	188.2
Don A. Campbell 1 ("DAC 1")	72.9	78.5	70.0	73.1
USG Prudential - NV	29.8	31.8	27.1	27.6
USG Prudential - ID	17.4	18.3	17.6	18.4
USG DOE	42.0	45.1	36.8	38.2
Senior Unsecured Bonds	570.4	585.1	524.8	529.1
Senior Unsecured Loan	216.5	222.2	200.0	200.0
Plumstriker	16.6	18.1	16.5	18.1
Other long-term debt	15.7	17.4	16.0	17.6

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The fair value of the long-term debt is determined by a valuation model, which is based on a conventional discounted cash flow methodology and utilizes assumptions of current borrowing rates. The fair value of revolving lines of credit is determined using a comparison of market-based price sources that are reflective of similar credit ratings to those of the Company.

As disclosed above under Note 1 to the condensed consolidated financial statements, the outbreak of the COVID-19 pandemic has resulted in a global economic downturn and market volatility that may have an impact on the estimated fair value of the Company's long-term debt as the global economic situation evolves.

The carrying value of financial instruments such as revolving lines of credit and deposits approximates fair value.

The following table presents the fair value of financial instruments as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
	(Dollars in millions)			
Olkaria III - DFC	$ —	$ —	$ 179.3	$ 179.3
Olkaria III plant 4 Loan - DEG 2	—	—	37.8	37.8
Olkaria III plant 1 Loan - DEG 3	—	—	33.3	33.3
Platanares Loan - DFC	—	—	104.6	104.6
Amatitlan Loan	—	21.7	—	21.7
Senior Secured Notes:				
OFC 2 Senior Secured Notes	—	—	193.4	193.4
DAC 1 Senior Secured Notes	—	—	72.9	72.9
USG Prudential - NV	—	—	29.8	29.8
USG Prudential - ID	—	—	17.4	17.4
USG DOE	—	—	42.0	42.0
Senior Unsecured Bonds	—	—	570.4	570.4
Senior Unsecured Loan	—	—	216.5	216.5
Plumstriker	—	16.6	—	16.6
Other long-term debt	—	—	15.7	15.7
Deposits	14.2	—	—	14.2

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The following table presents the fair value of financial instruments as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
	(Dollars in millions)			
Olkaria III Loan - DFC	$ —	$ —	$ 192.5	$ 192.5
Olkaria IV - DEG 2	—	—	40.4	40.4
Olkaria IV - DEG 3	—	—	35.8	35.8
Platanares Loan - DFC	—	—	112.1	112.1
Amatitlan Loan	—	23.5	—	23.5
Senior Secured Notes:				
OFC 2 Senior Secured Notes	—	—	207.9	207.9
DAC 1 Senior Secured Notes	—	—	78.5	78.5
USG Prudential - NV	—	—	31.8	31.8
USG Prudential - ID	—	—	18.3	18.3
USG DOE	—	—	45.1	45.1
Senior Unsecured Bonds	—	—	585.1	585.1
Senior Unsecured Loan	—	—	222.2	222.2
Plumstriker	—	18.1	—	18.1
Other long-term debt	—	—	17.4	17.4
Deposits	14.8	—	—	14.8

NOTE 6 — STOCK-BASED COMPENSATION

There were no material stock-based compensation grants during the first half of 2021.

NOTE 7 — INTEREST EXPENSE, NET

The components of interest expense are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in thousands)		(Dollars in thousands)	
Interest related to sale of tax benefits	$ 2,545	$ 2,500	$ 4,938	$ 4,824
Interest expense	19,646	19,634	39,320	36,800
Less — amount capitalized	(3,565)	(2,349)	(6,616)	(4,566)
Total interest expense, net	$ 18,626	$ 19,785	$ 37,642	$ 37,058

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

NOTE 8 — EARNINGS PER SHARE

Basic earnings per share attributable to the Company's stockholders is computed by dividing net income or loss attributable to the Company's stockholders by the weighted average number of shares of common stock outstanding for the period. The Company does not have any equity instruments that are dilutive, except for employee stock-based awards.

The table below shows the reconciliation of the number of shares used in the computation of basic and diluted earnings per share (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Weighted average number of shares used in computation of basic earnings per share:	55,992	51,043	55,990	51,040
Additional shares from the assumed exercise of employee stock awards	324	319	512	408
Weighted average number of shares used in computation of diluted earnings per share	56,316	51,362	56,502	51,448

The number of stock-based awards that could potentially dilute future earnings per share and that were not included in the computation of diluted earnings per share because to do so would have been anti-dilutive was 174.1 thousand and 141.3 thousand for the three months ended June 30, 2021 and 2020, respectively and 16.0 thousand and 132.9 thousand for the six months ended June 30, 2021 and 2020, respectively.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

NOTE 9 — BUSINESS SEGMENTS

The Company has three reporting segments: the Electricity segment, the Product segment and the Energy Storage segment. These segments are managed and reported separately as each offers different products and serves different markets.

- Under the Electricity segment, the Company builds, owns and operates geothermal, solar PV and recovered energy-based ("REG") power plants in the United States and geothermal power plants in other countries around the world and sell the electricity they generate.

- Under the Product segment, the Company designs, manufactures and sells equipment for geothermal and recovered energy-based electricity generation and remote power units and provide services relating to the engineering, procurement and construction ("EPC") of geothermal and recovered energy-based power plants.

- Under the Energy Storage segment, the Company provides energy storage and related services as well as services relating to the engineering, procurement, construction, operation and maintenance of energy storage units. To better reflect the significant business activities under this reporting segment, the Company renamed this reporting segment to be "Energy Storage" starting the fourth quarter of 2020. There was no change to the business units reported under this segment.

Transfer prices between the operating segments are determined based on current market values or cost-plus markup of the seller's business segment.

Summarized financial information concerning the Company's reportable segments is shown in the following tables, including the Company's disaggregated revenues from contracts with customers:

	Electricity	Product	Energy Storage	Consolidated
	(Dollars in thousands)			
Three Months Ended June 30, 2021:				
Revenues from external customers:				
United States (1)	$ 87,564	$ 647	$ 5,627	$ 93,838
Foreign (2)	46,300	6,763	—	53,063
Net revenue from external customers	133,864	7,410	5,627	146,901
Intersegment revenues (4)	—	51,038	—	—
Operating income (loss)	30,018	(427)	(972)	28,619
Segment assets at period end (3) (*)	3,530,256	122,868	165,426	3,818,550
* Including unconsolidated investments	103,890	—	—	103,890
Three Months Ended June 30, 2020:				
Revenues from external customers:				
United States (1)	$ 80,427	$ 2,269	$ 2,514	$ 85,210
Foreign (2)	48,258	41,432	—	89,690
Net revenue from external customers	128,685	43,701	2,514	174,900
Intersegment revenues (4)	—	50,453	—	—
Operating income (loss)	45,875	3,803	(1,603)	48,075
Segment assets at period end (3) (*)	3,150,770	190,474	77,133	3,418,377
* Including unconsolidated investments	84,414	—	—	84,414
Six Months Ended June 30, 2021:				
Revenues from external customers:				
United States (1)	$ 186,540	$ 2,500	$ 18,348	$ 207,388
Foreign (2)	92,312	13,553	—	105,865
Net revenue from external customers	278,852	16,053	18,348	313,253
Intersegment revenues (4)	—	76,372	—	—
Operating income (loss)	77,767	(1,638)	2,379	78,508
Segment assets at period end (3) (*)	3,530,256	122,868	165,426	3,818,550
* Including unconsolidated investments	103,890	—	—	103,890
Six Months Ended June 30, 2020:				
Revenues from external customers:				
United States (1)	$ 172,119	$ 2,667	$ 4,360	$ 179,146
Foreign (2)	99,422	88,445	—	187,867
Net revenue from external customers	271,541	91,112	4,360	367,013
Intersegment revenues (4)	—	59,109	—	—
Operating income (loss)	104,505	7,675	(3,048)	109,132
Segment assets at period end (3) (*)	3,150,770	190,474	77,133	3,418,377
* Including unconsolidated investments	84,414	—	—	84,414

(1) Electricity segment revenues in the United States are all accounted under lease accounting except for $20.8 million and $40.0 million for the three and six months ended June 30, 2021, respectively, and $15.6 and $32.4 million for the three and six months ended June 30, 2020 , respectively, that are accounted under ASC 606. Product and Energy Storage segment revenues in the United States are accounted under ASC 606.

(2) Electricity segment revenues in foreign countries are all accounted under lease accounting. Product segment revenues in foreign countries are accounted under ASC 606.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

(3) Electricity segment assets include goodwill in the amount of $20.2 million and $20.1 million as of June 30, 2021 and 2020, respectively. Energy Storage segment assets include goodwill in the amount of $4.6 million and none as of June 30, 2021 and 2020, respectively. No goodwill is included in the Product segment assets as of June 30, 2021 and 2020.

(4) Intersegment revenue are fully eliminated in consolidation.

Reconciling information between reportable segments and the Company's consolidated totals is shown in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in thousands)		(Dollars in thousands)	
Revenues:				
Total segment revenues	$ 146,901	$ 174,900	$ 313,253	$ 367,013
Intersegment revenues	51,038	50,453	76,372	59,109
Elimination of intersegment revenues	(51,038)	(50,453)	(76,372)	(59,109)
Total consolidated revenues	$ 146,901	$ 174,900	$ 313,253	$ 367,013
Operating income:				
Operating income	$ 28,619	$ 48,075	$ 78,508	$ 109,132
Interest income	808	441	1,071	843
Interest expense, net	(18,626)	(19,785)	(37,642)	(37,058)
Derivatives and foreign currency transaction gains (losses)	658	671	(16,208)	1,064
Income attributable to sale of tax benefits	7,420	5,672	13,775	9,804
Other non-operating income (expense), net	(21)	304	(352)	382
Total consolidated income before income taxes and equity in income of investees	$ 18,858	$ 35,378	$ 39,152	$ 84,167

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

NOTE 10 — COMMITMENTS AND CONTINGENCIES

- On May 21, 2018, a motion to certify a class action was filed in Tel Aviv District Court against Ormat Technologies, Inc. and 11 officers and directors. The alleged class is defined as "All persons who purchased Ormat shares on the Tel Aviv Stock Exchange between August 3, 2017 and May 13, 2018". The motion alleges that the Company and other respondents violated Sections 31(a)(1) and 38C of the Israeli Securities Law, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, because they allegedly: (1) misled investors by stating in the Company's financial statements that it maintains effective internal controls over its accounting policies and procedures, even though the Company's internal controls had material weaknesses which led to erroneous accounting in its 2017 unaudited quarterly reports that had to be restated, including adjustments to the Company's net income and shareholders' equity; and (2) failed to issue an immediate report in Israel until May 16, 2018, analogous to the report that was released in the United States on May 11, 2018 stating, inter alia, that the errors in its financial reports affected its balance sheet and would be remedied in its 2017 annual report. Agreed motions were filed from time to time with, and granted by, the Tel Aviv District Court to stay the proceedings in Israel in light of the United States case (Mac Costas). On June 30, 2020, pursuant to the execution and submission of a settlement agreement to the United States court for approval, which resolves the matters raised with respect to the entire class of shareholders (whether traded on the Tel Aviv Stock Exchange or U.S. stock exchange), the Company filed a motion informing the Tel Aviv court of the settlement. On March 3, 2021, the Tel Aviv District Court approved the parties' joint motion for withdrawal and dismissal of the plaintiff's July 2, 2020 motion for an Anti-Suit Injunction and issued an order to the Tel Aviv Stock Exchange members executing the settlement. The final settlement was concluded with the payment of an immaterial amount by the Company.

- On June 11, 2018, a putative class action filed by Mac Costas on behalf of alleged shareholders that purchased or acquired the Company's ordinary shares between August 8, 2017 and May 15, 2018 was commenced in the United States District Court for the District of Nevada against the Company and its Chief Executive Officer and Chief Financial Officer, which was subsequently amended by a consolidated complaint filed by lead plaintiff Phoenix Insurance in May 13, 2019. The complaint asserts claim against all defendants pursuant to Section 10(b) of the Exchange Act, as amended, and Rule 10b-5 thereunder and against its officers pursuant to Section 20(a) of the Exchange Act. The complaint alleges that the Company's Form 10-K for the years ended December 31, 2016 and 2017, and Form 10-Qs for each of the quarters in the nine months ended September 30, 2017 contained material misstatements or omissions, among other things, with respect to the Company's tax provisions and the effectiveness of its internal control over financial reporting, and that, as a result of such alleged misstatements and omissions, the plaintiffs suffered damages. On December 6, 2019 the Company's motion to dismiss was denied by the court. On March 23, 2020, pursuant to out of court mediation, a term sheet for a proposed settlement of the action without admission of liability or wrongdoing, was signed between the parties and on June 10, 2020, a joint stipulation and motion for preliminary approval of the comprehensive executed settlement documentation was filed for the court for approval. On January 21, 2021, the Court issued its Order and Final Judgement certifying the Class, approving the method of notification of the settlement pursued, and approving the final settlement and proposed Plan of Allocation as well as the plaintiff attorneys' and plaintiff's awards. The final settlement was concluded with the payment of an immaterial amount by the Company.

- On September 11, 2018, the Klein derivative action (Klein Action) was filed against the Company, our board and its Chief Executive Officer and Chief Financial Officer in the United States District Court for the District of Nevada, and on October 22, 2018, the Matthew derivative action (Matthew Action) was filed against the Company, certain named present and former board members (Barniv, Beck, Boehm, Clark, Falk, Freeland, Granot, Joyal, Nishigori, Sharir, Stern and Wong) in the United States District Court, District of Nevada. The Klein complaint asserts four derivative causes of action generally arising from Ormat's restatement of its financial statements: (i) the individual defendants allegedly breached their fiduciary duties by allowing the Company to improperly report its financials; (ii) the individual defendants allegedly were unjustly enriched by being compensated while breaching their fiduciary duties; (iii) the individual defendants allegedly committed corporate waste in paying officers and directors and by incurring legal costs and potential liability; and (iv) the director defendants allegedly breached Section 14(a) of the Exchange Act in connection with the issuance of the 2018 proxy. The Matthew complaint similarly alleges derivatively a breach of fiduciary duties, abuse of control, gross mismanagement, and corporate waste by the named directors. On January 24, 2019, the Nevada Court entered an order consolidating the Klein Action and Matthew Action. On July 10, 2020, a comprehensive settlement package and derivative stipulation of settlement was submitted to the court, and on October 12, 2020, plaintiff filed an unopposed motion to the Nevada Court requesting preliminary approval of the corporate governance enhancement settlement. On November 24, 2020, the Court issued its order preliminarily approving the derivative settlement and providing notice for a final settlement hearing on March 22, 2021. On March 29, 2021, the Court signed its Order Approving Derivative Settlement and Order of Dismissal with Prejudice and closed the matter. The final settlement was concluded with the payment of an immaterial amount by the Company.

- On March 29, 2016, a former local sales representative in Chile, Aquavant, S.A., filed a claim on the basis of unjust enrichment against Ormat's subsidiaries in the 27th Civil Court of Santiago, Chile. The claim requests that the court order Ormat to pay Aquavant $4.6 million in connection with its activities in Chile, including the EPC contract for the Cerro Pabellon project and various geothermal concessions, plus 3.75% of Ormat geothermal products sales in Chile over the next 10 years. Pursuant to various motions submitted by the defendants and the plaintiffs to various courts, including the Court of Appeals, the case was removed from the original court and then refiled before the 11th Civil Court of Santiago. On April 16, 2020, the 11th Civil Court of Santiago issued its order rejecting Plaintiff's principal claim of unjust enrichment, as an improper cause of action, rejecting plaintiff's secondary claim for declaratory judgment, which the Court associates with the principal claim of unjust enrichment and not relating to a number of defenses raised by the Company. In May 2020, each of the parties filed separately to the court of appeals, which are pending. On October 19, 2020, the Court of Appeals dismissed all ancillary appeals on procedural issues filed by Aquavant as well as two ancillary appeals on procedural issues filed by the Company. The Company considers it has strong legal defenses and the probability of the claimant receiving an award is low. The potential amount that the Company may bear in this context cannot be reasonably estimated at this time.

- On March 3, 2021, a claim and motion to certify a class action was filed in the Tel Aviv District Court (Economic Division) on behalf of Avishai Shmuel Mano against Ormat Technologies Inc. and 23 additional named respondents, who include existing and former directors and officers of the Company. On July 1, 2021, the court accepted plaintiff's motion to withdraw the claim against the named foreign respondents, retaining only the claim against the Company and the named present and former directors and officers who are domiciled in Israel. The claim seeks economic damages of approximately $100 million purportedly caused to shareholders by defendants' alleged inaccurate reporting and provision of misleading information to the public in breach of Sections 10(b) and 20(a) of the U.S. Securities and Exchange Act of 1934, as amended, based on claims made in a report published by short-seller Hindenburg Research on March 1, 2021. The Company considers it has strong legal defenses and the probability of the claimant receiving an award is low. The potential amount that the Company may bear in this context cannot be reasonably estimated at this time.

In addition, from time to time, the Company is named as a party to various other lawsuits, claims and other legal and regulatory proceedings that arise in the ordinary course of the Company's business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to such lawsuits, claims and proceedings, the Company accrues reserves when a loss is probable, and the amount of such loss can be reasonably estimated. It is the opinion of the Company's management that the outcome of these proceedings, individually and collectively, will not be material to the Company's consolidated financial statements as a whole.

Other matters

On March 2, 2021, the Company's board of directors established a Special Committee of independent directors to investigate, among other things, certain claims made in a report published by a short seller regarding the Company's compliance with anti-corruption laws. The Special Committee is working with outside legal counsel to investigate the claims made. All members of the Special Committee are "independent" in accordance with the Company's Corporate Governance Guidelines, the NYSE listing standards and SEC rules applicable to board of directors in general. The Company is also providing information as requested by the SEC and Department of Justice ("DOJ") related to the claims.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
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NOTE 11 — INCOME TAXES

The Company's effective tax rate provision (benefit) for the three months ended June 30, 2021 and 2020 was 22.6% and 33.3%, respectively, and 18.6% and 35.5% for the six months ended June 30, 2021 and 2020, respectively. The effective rate differs from the federal statutory rate of 21% primarily due to the jurisdictional mix of earnings at differing tax rates, movement in the valuation allowance and generation of production tax credits.

In response to the COVID-19 pandemic, many governments have enacted or are contemplating measures to provide aid and economic stimulus. The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), enacted on March 27, 2020 in the United States provides relief on deferral of tax payments and filings, modifies the net operating loss utilization rules, and temporarily increases the interest expense deduction allowed. For the six months ended June 30, 2021, there were no material tax impacts to our consolidated financial statements as it relates to the CARES Act or other COVID-19 stimulus measures. The Company will continue to monitor additional guidance issued by Treasury, the Internal Revenue Service and other taxing authorities.

NOTE 12 — SUBSEQUENT EVENTS

Cash Dividend

On August 4, 2021, the Board of Directors of the Company declared, approved and authorized payment of a quarterly dividend of $6.7 million ($0.12 per share) to all holders of the Company's issued and outstanding shares of common stock on August 18, 2021, payable on September 1, 2021.

Geothermal assets purchase transaction

On July 14, 2021, the Company closed a transaction with TG Geothermal Portfolio, LLC (a subsidiary of Terra-Gen, LLC) to acquire two contracted geothermal assets in Nevada with a total net generating capacity of 67.5 MW, a greenfield development asset adjacent to one of the plants, and an underutilized transmission line. The Company paid approximately $171 million (excluding working capital and assumed cash, which are subject to final audit) for 100% of the equity interests and assumed debt and associated lease obligations with a book value of approximately $206 million as of June 30, 2021. The two contracted geothermal assets include the Dixie Valley and Beowawe geothermal power plants which sell power under existing power purchase agreements with Southern California Edison under a long term PPA expiring in 2038 and with NV Power, Inc. under a PPA expiring in December 2025, respectively.

The Company will account for the transaction under ASC 805, Business Combinations and is currently evaluating the accounting related to the transaction. The Company expects to consolidate acquired assets in its consolidated financial statements starting at the acquisition date.

Hapoalim loan

On July 12, 2021, the Company entered into a definitive loan agreement (the "Hapoalim Loan Agreement") with Bank Hapoalim B.M. (the "Bank Hapoalim"). The Hapoalim Loan Agreement provides for a loan by Bank Hapoalim to the Company in an aggregate principal amount of $125 million (the "Hapoalim Loan"). The outstanding principal amount of the Hapoalim Loan will be repaid in 14 semi-annual payments of $8.9 million each, commencing on December 12, 2021. The duration of the Hapoalim Loan is 7 years. The Hapoalim Loan bears interest at a fixed rate of 3.45% per annum, payable semi-annually.

The Hapoalim Loan Agreement includes various affirmative and negative covenants, including a requirement that the Company maintain (i) a financial debt to adjusted EBITDA ratio not to exceed 6, (ii) a minimum equity capital amount (as shown on its consolidated financial statements) of not less than $750 million, and (iii) an equity capital to total assets ratio of not less than 25%.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
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The Hapoalim Loan Agreement includes other customary affirmative and negative covenants, including payment and covenant events of default.

HSBC loan

On July 15, 2021, the Company entered into a definitive loan agreement (the "HSBC Loan Agreement") with HSBC Bank PLC. (the “HSBC Bank”). The HSBC Loan Agreement provides for a loan by HSBC Bank to the Company in an aggregate principal amount of $50 million (the “ HSBC Loan”). The outstanding principal amount of the HSBC Loan will be repaid in 14 semi-annual payments of $3.6 million each, commencing on January 19, 2022. The duration of the HSBC Loan is 7 years. The HSBC Loan bears interest at a fixed rate of 3.45% per annum, payable semi-annually.

The HSBC Loan Agreement includes various affirmative and negative covenants, including a requirement that the Company maintain (i) a financial debt to adjusted EBITDA ratio not to exceed 6, (ii) a minimum equity capital amount (as shown on its consolidated financial statements) of not less than $750 million, and (iii) an equity capital to total assets ratio of not less than 25%.

The HSBC Loan Agreement includes other customary affirmative and negative covenants, including payment and covenant events of default.

The proceeds from the Hapoalim Loan and the HSBC Loan were used to pay for the purchase of the geothermal assets portfolio from TG Geothermal Portfolio, LLC as described above.

ITEM 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

Cautionary Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this quarterly report that address activities, events or developments that we expect or anticipate will or may occur in the future, including such matters as our projections of annual revenues, expenses and debt service coverage with respect to our debt securities, future capital expenditures, business strategy, competitive strengths, goals, development or operation of generation assets, market and industry developments and the growth of our business and operations, are forward-looking statements. When used in this quarterly report on Form 10-Q, the words "may", "will", "could", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "projects", "potential", or "contemplate" or the negative of these terms or other comparable terminology are intended to identify forward-looking statements, although not all forward-looking statements contain such words or expressions. The forward-looking statements in this quarterly report are primarily located in the material set forth under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors", and "Notes to Condensed Consolidated Financial Statements", but are found in other locations as well. These forward-looking statements generally relate to our plans, objectives and expectations for future operations and are based upon management's current estimates and projections of future results or trends. Although we believe that our plans and objectives reflected in or suggested by these forward-looking statements are reasonable, we may not achieve these plans or objectives. You should read this quarterly report on Form 10-Q completely and with the understanding that actual future results and developments may be materially different from what we expect attributable to a number of risks and uncertainties, many of which are beyond our control.

Summary of the risks that might cause actual results to differ from our expectations include, but are not limited to the following:

Risks Related to the Company's Business and Operation

- Our financial performance depends on the successful operation of our geothermal and REG power plants, which are subject to various operational risks.
- Our exploration, development, and operation of geothermal energy resources are subject to geological risks and uncertainties, which may result in decreased performance or increased costs for our power plants.
- We may experience a cyber incident, cyber security breach, severe natural event or physical attack on our operational networks and information technology systems.
- We may decide not to implement, or may not be successful in implementing, one or more elements of our multi-year strategic plan, and the plan may not achieve its goal of enhancing shareholder value.
- Concentration of customers, specific projects and regions may expose us to heightened financial exposure.
- Our international operations expose us to risks related to the application of foreign laws and regulations, political or economic instability and major hostilities or acts of terrorism.
- Political, economic and other conditions in the emerging economies where we operate may subject us to greater risk than in the developed U.S. economy.
- Conditions in and around Israel, where the majority of our senior management and our main production and manufacturing facilities are located, may adversely affect our operations and may limit our ability to produce and sell our products or manage our power plants.
- Reduction in our Products backlog may affect our ability to fully utilize our main production and manufacturing facilities.
- Some of our leases will terminate if we do not extract geothermal resources in "commercial quantities", thus requiring us to enter into new leases or secure rights to alternate geothermal resources, none of which may be available on terms as favorable to us as any such terminated lease, if at all.
- Our BLM leases may be terminated if we fail to comply with any of the provisions of the Geothermal Steam Act or if we fail to comply with the terms or stipulations of such leases.
- Some of our leases (or subleases) could terminate if the lessor (or sublessor) under any such lease (or sublease) defaults on any debt secured by the relevant property, thus terminating our rights to access the underlying geothermal resources at that location.
- Reduced levels of recovered energy required for the operation of our REG power plants may result in decreased performance of such power plants.

- Our business development activities may not be successful and our projects under construction may not commence operation as scheduled.
- Our future growth depends, in part, on the successful enhancement of a number of our existing facilities.
- We rely on power transmission facilities that we do not own or control.
- Our use of joint ventures may limit our flexibility with jointly owned investments.
- Our operations could be adversely impacted by climate change.
- Geothermal projects that we plan to develop in the future, may operate as "merchant" facilities without long-term PPAs and therefore such projects will be exposed to market fluctuations.
- Storage projects that we are operating, currently developing or plan to develop in the future, may operate as "merchant" facilities without long-term power services agreements for some or all of their generating capacity and output and therefore such projects will be exposed to market fluctuations.
- We may not be able to successfully conclude the transactions, integrate companies, which we acquired and may acquire in the future.
- The power generation industry is characterized by intense competition.
- We face increasing competition from other companies engaged in energy storage and the combination of solar and energy storage.
- Changes in costs and technology may significantly impact our business by making our power plants and products less competitive, resulting in our inability to sign new PPAs for our Electricity segment and new supply and EPC contracts for our Products segment.
- Our intellectual property rights may not be adequate to protect our business.
- We may experience difficulties implementing and maintaining our new enterprise resource planning system.

Risks Related to Governmental Regulations, Laws and Taxation

- Our financial performance could be adversely affected by changes in the legal and regulatory environment affecting our operations.
- Pursuant to the terms of some of our PPAs with investor-owned electric utilities and publicly-owned electric utilities in states that have renewable portfolio standards, the failure to supply the contracted capacity and energy thereunder may result in the imposition of penalties.
- If any of our domestic power plants loses its current Qualifying Facility status under PURPA, or if amendments to PURPA are enacted that substantially reduce the benefits currently afforded to Qualifying Facilities, our domestic operations could be adversely affected.
- We may experience a reduction or elimination of government incentives.
- We are a holding company and our cash depends substantially on the performance of our subsidiaries and the power plants they operate, most of which are subject to restrictions and taxation on dividends and distributions.
- The costs of compliance with federal, state, local and foreign environmental laws and our ability in obtaining and maintaining environmental permits and governmental approvals required for development, construction and/or operation may result in liabilities, costs and delays in construction (as well as any fines or penalties that may be imposed upon us in the event of any non-compliance or delays with such laws or regulations).
- We could be exposed to significant liability for violations of hazardous substances laws because of the use or presence of such substances at our power plants.
- Current and future urbanizing activities and related residential, commercial, and industrial developments may encroach on or limit geothermal or solar PV activities in the areas of our power plants, thereby affecting our ability to utilize access, inject and/or transport geothermal resources on or underneath the affected surface areas.
- U.S. federal, state and foreign country income tax law changes could adversely affect us.

Risks Related to Economic and Financial Conditions

- We may be unable to obtain the financing we need on favorable terms to pursue our growth strategy.
- Our foreign power plants and foreign manufacturing operations expose us to risks related to fluctuations in currency rates, which may reduce our profits from such power plants and operations.
- Our power plants have generally been financed through a combination of our corporate funds and limited or non-recourse project finance debt and lease financing. If our project subsidiaries default on their obligations under such limited or non-recourse debt or lease financing, we may be required to make certain payments to the relevant debt holders, and if the collateral supporting such leveraged financing structures is foreclosed upon, we may lose certain of our power plants.

- We may experience fluctuations in the cost of construction, raw materials, commodities and drilling.
- We are exposed to swap counterparty credit risk.
- We may not be able to obtain sufficient insurance coverage to cover damages resulting from any damages to our assets and profitability including, but not limited to, natural disasters such as volcanic eruptions, lava flows, wind and earthquakes.

Risks Related to Force Majeure

- The global spread of a public health crisis, including the COVID-19 pandemic may have an adverse impact on our business.
- The existence of a prolonged force majeure event or a forced outage affecting a power plant, or the transmission systems could reduce our net income.

Risks Related to Our Stock

- A substantial percentage of our common stock is held by stockholders whose interests may conflict with the interests of our other stockholders.
- The price of our common stock may fluctuate substantially, and your investment may decline in value.

Investors are cautioned that these forward-looking statements are inherently uncertain. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein. Other than as required by law, we undertake no obligation to update forward-looking statements even though our situation may change in the future. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes included elsewhere in this report and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2020 (the "2020 Annual Report") and any updates contained herein as well as those set forth in our reports and other filings made with the Securities and Exchange Commission (the "SEC").

General

Overview

We are a leading vertically integrated company that is primarily engaged in the geothermal and recovered energy power businesses. We leveraged our core capabilities and global presence to expand our activity into different energy storage services and solar photovoltaic (PV), including hybrid geothermal and solar PV as well as energy storage plus Solar PV. Our objective is to become a leading global provider of renewable energy and we have adopted a strategic plan to focus on several key initiatives to expand our business.

We currently conduct our business activities in three business segments:

- *Electricity Segment.* In the Electricity segment, which contributed 91.1% of our total revenues in the three months ended June 30, 2021, we develop, build, own and operate geothermal, solar PV and recovered energy-based power plants in the United States and geothermal power plants in other countries around the world and sell the electricity they generate. In the three months ended June 30, 2021, we derived 65.4% of our Electricity segment revenues from our operations in the United States and 34.6% from the rest of the world.

- *Product Segment.* In the Product segment, which contributed 5.0% of our total revenues in the three months ended June 30, 2021, we design, manufacture and sell equipment for geothermal and recovered energy-based electricity generation and remote power units and provide services relating to the engineering, procurement and construction of geothermal and recovered energy-based power plants. In the three months ended June 30, 2021, we derived 8.7% of our Product segment revenues from our operations in the United States and 91.3% from the rest of the world.

- *Energy Storage Segment.* In the Energy Storage segment, which contributed 3.8% of our total revenues in the three months ended June 30, 2021, we mainly provide energy storage related services as well as services relating to the engineering, procurement, construction, operation and maintenance of energy storage units. In the three months ended June 30, 2021, we derived all of our Energy Storage segment revenues from our operations in the United States.

Our current approximately 1.1 GW generating portfolio includes geothermal power plants in the United States, Kenya, Guatemala, Honduras, Guadeloupe and Indonesia, as well as storage facilities, recovered energy generation and Solar PV power plants in the United States.

We continue to examine a range of potential acquisitions and investments around the world as part of our growth strategy. Our most recent acquisition was the TG Geothermal Portfolio, LLC (a subsidiary of Terra-Gen, LLC) that owns two contracted geothermal assets in Nevada with a total net generating capacity of 67.5 MW, a greenfield development asset in California, and an underutilized transmission line. We paid $171 million in cash (excluding working capital and assumed cash, which are subject to final audit) for 100% of the equity interests in a portfolio of entities and assumed debt and associated lease obligations of approximately $206 million book value as of June 30, 2021.

COVID 19 Update

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus ("COVID-19") a pandemic. Since that time through the date of this report, the Company has implemented significant measures in order to meet government requirements and preserve the health and safety of its employees, including by working remotely when needed and adopting separate shifts from time to time in its power plants, manufacturing facilities and other locations while at the same time trying to continue operations at close to full capacity in all locations. Since the end of the first quarter of 2021, the Company has experienced, on the one hand, an easing of government restrictions in a number of countries, including in Israel, and on the other hand, a tightening of restrictions in other countries, such as Kenya and Indonesia. The uncertainty around the impact of COVID-19 is expected to continue. With respect to its employees, the Company has not laid-off or furloughed any employees due to COVID-19 and has continued to pay full salaries.

We experienced the following impacts on our segment operations:

- In our Electricity segment, almost all of our revenues in the six months ended June 30, 2021 were generated under long term contracts and the majority of contracts have a fixed energy rate. As a result, despite logistical and other challenges, we experienced a limited impact of COVID-19 on our Electricity segment. Nevertheless, we experienced a higher rate of curtailments in the first half of 2021 by KPLC in the Olkaria complex as compared to last year. The impact of the curtailments is limited because of the structure of the PPA which secures the vast majority of revenues with fixed capacity payments unrelated to the electricity actually generated (In the six months ended June 30, 2020 and 2021, capacity payments represented 74.8% and 72.4% of our revenues, respectively). In addition, our future growth in the Electricity segment is and would be adversely impacted by delays we are experiencing in receiving the required development and construction permits, as well as by the implications of global and local restrictions on our ability to procure raw materials and ship to our products.

- Our Product segment revenues are generated from sales of products and services pursuant to contracts, under which we have a right to payment for any product that was produced for the customer. Recognition of revenue under these contracts is impacted by delays in the progress of the third-party projects into which our products and services are incorporated. We experienced delays and significant cost increases in one of the projects in the Product segment that adversely impacted our results of operations during the six months ended June 30, 2021. We had a product backlog of $59.1 million as of August 4, 2021, which includes revenue recognition for the period between July 1, 2021 and August 4, 2021, compared to $66.0 million as of August 3, 2020. We believe that the year-over-year decline in backlog resulted mainly from the impact of COVID-19 and the unwillingness of potential customers to enter into new commitments at this time.

- Our Energy Storage segment generates revenues mainly from participating in the energy and ancillary services markets, run by regional transmission operators and independent system operators in the various markets where our assets operate. Therefore, the revenues these assets generate is directly impacted by the prevailing market prices for energy and/or ancillary services.

- In addition, we experience delays in the permitting for new projects in all segments that may result in contractual penalties and cause a delay in those projects. Also, we recently experienced an increase in raw material costs as well as shipping costs, which may put pressure on our operating margins in the Product segment and increase in the costs of building our own power plants.

Despite our efforts to provide insight into the performance of our business and the trends affecting it, as of the date of this filing, significant uncertainty exists concerning the magnitude of the impact and duration of the COVID-19 pandemic. We may continue to become subject to any of the following impacts:

- limitations on the ability of our suppliers to obtain raw materials that are required for the manufacturing of the products we either sell to third parties or build for ourselves or to meet delivery requirements and commitments that may result in penalty payments;
- impact on our efforts to sign new contracts for our Product segment due to operational and travel restrictions and availability of our customers and their willingness to enter into new agreements;
- limitations on the ability of our customers to pay us on a timely basis;
- additional declarations of COVID-19 as force majeure by our customers and suppliers;
- a reduction in the demand for electricity and for our products;
- change in regulations, taxes and levies that may affect our operations and cost structure;
- risk of infection among employees that may impact the day-to-day operations;
- delays in obtaining the required permits that create penalties and may impact our ability to implement our growth plan; and
- limited ability to oversee remote operations due to travel restrictions.

Other Recent Developments

The most significant developments in our Company and business since January 1, 2021 are described below.

- The Puna power plant resumed operations in November 2020 following a shut down period as a result of the damage caused by the volcano eruption and during the second quarter of 2021 operated at approximately 25 MW. Recently, the Company completed repair work to a bottoming turbine which increased generating capacity to approximately 28MW. The Company expects the Puna complex to generate approximately 30 MW by the end of 2021. In order to resume operations at full capacity, the Company plans to drill additional wells. In 2019 we signed a new PPA with HELCO for our Puna power plant. The new PPA, which is subject to Public Utility Commission (“PUC”) approval, extends the term until 2052 with an increased contract capacity of 46 MW and fixes the price with no escalation, regardless of changes to fossil fuel pricing. On March 31, 2021, the PUC issued an order suspending the request to approve the PPA application until an environmental review is conducted on the proposed repowering, and ordered the parties to renegotiate the PPA rates. HELCO and PGV have filed motions, which are pending, for reconsideration of the order with the PUC. The existing PPA remains in effect, with its current terms, until the expansion is completed and the repowered plant reaches its Commercial Operation Date ("COD").

- In July 2021, we completed the acquisition of TG Geothermal Portfolio, LLC (a subsidiary of Terra-Gen, LLC). Ormat paid $171 million in cash (excluding working capital and assumed cash which are subject to final audit) for 100% of the equity interests in a portfolio of entities and assumed debt and associated lease obligations of approximately $206 million book value as of June 30, 2021. The acquired entities own, among other things, two operating geothermal power plants in Nevada comprising the 56 MW (net) Dixie Valley geothermal power plant, one of the largest geothermal power plants in Nevada, and the 11.5 MW Beowawe geothermal power plant, as well as the rights to Coyote Canyon, a greenfield development asset adjacent to Dixie Valley with high resource potential, and an underutilized transmission line, capable of handling between 300MW and 400MW of 230KV electricity, connecting Dixie Valley to California.

- In May 2021, we announced that we signed a 15-year power purchase agreement (PPA) with the Clean Power Alliance (CPA), which is the fifth largest electricity provider in California and the single largest provider of 100% renewable energy to customers in the nation. Under terms of the agreement, effective January 1, 2022, CPA will purchase 14 MW of clean, renewable energy from Ormat's Heber South Geothermal facility located in Imperial Valley, CA. The PPA replaces the original PPA with Southern California Public Power Authority (SCPPA), which had a shorter remaining duration and was subject to an early termination option. This is Ormat's first contract with CPA, creating the potential for additional agreements in the future as CPA pursues aggressive goals to provide renewable energy to southern California.

- In Kenya, a task force was appointed by the local president to review and analyze PPAs entered into between various independent power producers and KPLC, including Ormat's long term PPA for the Olkaria complex. In July 2021, Ormat received a letter from the Kenya National Assembly with a request to respond to various questions and to provide materials regarding our Olkaria complex operations and its PPA. Ormat is engaged in conversations with the Kenya National Assembly to respond to their requests.

- In May 2021, we announced the completion of the expansion of our McGinness Hills Phase 3 geothermal power plant in Eastern Nevada. The expansion, completed in May, 2021, increases the power plant net capacity by 15 MW, bringing the entire McGinness Hills complex capacity to a total of 160 MW. The McGinness Hills Phase 3 power plant continues to sell its electricity under the current 25-year long term portfolio power purchase agreement with SCPPA.

- In April 2021, we announced the commercial operation of the 10 MW/40 MWh Vallecito Battery Energy Storage System (Vallecito BESS). The Vallecito BESS provides local resource adequacy to Southern California Edison (SCE) under a 20-year energy storage resource adequacy agreement. In addition, the facility will provide ancillary services and energy optimization through participation in merchant markets run by the California Independent System Operator (CAISO).

- In March 2021, our board of directors established a Special Committee of independent directors to investigate, among other things, certain claims made in a report published by a short seller regarding the Company's compliance with anti-corruption laws. The Special Committee is working with outside legal counsel to investigate the claims made. All members of the Special Committee are "independent" in accordance with our Corporate Governance Guidelines, the NYSE listing standards and SEC rules applicable to board of directors in general. We are also providing information as requested by the SEC and DOJ related to the claims.

- In February 2021 we released two energy storage systems for construction, the 20 MW/20MWh Andover facility and the 7 MW/7MWh Howell facility, both of which are located in New Jersey and will sell ancillary services to PJM. We are targeting commercial operation in the first half of 2022.

- In February 2021, extreme weather conditions in Texas resulted in a significant increase in demand for electricity on the one hand and a decrease in electricity supply in the region on the other hand. On February 15, 2021, the Electricity Reliability Council of Texas ("ERCOT") issued an Energy Emergency Alert Level 3 ("EEA 3") prompting rotating outages in Texas. This ultimately led to a significant increase in the Responsive Reserve Service ("RRS") market prices, where the Company operates its Rabbit Hill battery energy storage facility which provides ancillary services and energy optimization to the wholesale markets managed by ERCOT. Due to the electricity supply shortage, ERCOT restricted battery charging in the Rabbit Hill facility from February 16, 2021 to February 19, 2021, resulting in a limited ability of the Rabbit Hill storage facility to provide RRS. As a result, the Company incurred losses of approximately $9.1 million, net of associated revenues, from a hedge transaction in relation to its inability to provide RRS during that period. Starting February 19, 2021, the Rabbit Hill energy storage facility resumed operation at full capacity. In addition, the Company recorded a provision for approximately $3.0 million for receivables related to imbalance charges from the grid operator in respect of its demand response operation as it estimated it is probable it may be unable to collect such receivables. The provision for uncollectible receivables is included in "General and administrative expenses" in the condensed consolidated statements of operations and comprehensive income for the first quarter of 2021. The Company is currently in discussions with ERCOT with respect to some of the imbalance charges and revenue allocated to its Demand Response services and customers, the outcome of which may impact the final amount.

Trends and Uncertainties

Different trends, factors and uncertainties may impact our operations and financial condition, including many that we do not or cannot foresee. However, we believe that our results of operations and financial condition for the foreseeable future will be primarily affected by trends, factors and uncertainties discussed in our 2020 Annual Report under "Part II - Item 7 – Management Discussion and Analysis of Financial Condition and Results of Operation", in addition to the information set forth in this report. These trends, factors and uncertainties are, from time to time, also subject to market cycles.

Revenues

For the six months ended June 30, 2021, 94.5% of our Electricity segment revenues were from PPAs with fixed energy rates, which are not affected by fluctuations in energy commodity prices. We have variable price PPAs in California and Hawaii, which provide for payments based on the local utilities' avoided cost, which is the incremental cost that the power purchaser avoids by not having to generate such electrical energy itself or purchase it from others, as follows:

- The energy rates under the PPAs in California for each Heber 2 power plant in the Heber Complex and the G2 power plant in the Mammoth Complex, a total of between 30 to 40 MW, change primarily based on fluctuations in natural gas prices.

- The prices paid for electricity pursuant to the 25 MW PPA for the Puna Complex in Hawaii change primarily as a result of variations in the price of oil as well as other commodities. In 2019, we signed a new PPA related to Puna with fixed prices, increased capacity and extended the term until 2052. The PUC suspended the approval of the PPA, as discussed above.

To comply with obligations under their respective PPAs, certain of our project subsidiaries are structured as special purpose, bankruptcy remote entities and their assets and liabilities are ring-fenced. Such assets are not generally available to pay our debt, other than debt at the respective project subsidiary level. However, these project subsidiaries are allowed to pay dividends and make distributions of cash flows generated by their assets to us, subject in some cases to restrictions in debt instruments, as described below.

Electricity segment revenues are also subject to seasonal variations and are affected by higher-than-average ambient temperatures, as described below under "Seasonality".

Revenues attributable to our Product segment are based on the sale of equipment, engineering, procurement and construction contracts and the provision of various services to our customers. Product segment revenues vary from period to period because of the timing of our receipt of purchase orders and the progress of our equipment manufacturing and execution of the relevant project.

Revenues attributable to our Energy Storage segment are generated by several grid-connected battery energy storage system ("BESS")facilities that we own and operate from selling energy, capacity and/or ancillary services in merchant markets like PJM Interconnect, ISO New England, the ERCOT and CAISO. The revenues fluctuate over time since a large portion of such revenues are generated in the merchant markets where price volatility is inherent.

The following table sets forth a breakdown of our revenues for the periods indicated:

	Revenue				Increase (decrease)			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020	2021		2021	
Revenues:								
Electricity	$ 133,864	$ 128,685	$ 278,852	$ 271,541	$ 5,179	4.0 %	$ 7,311	2.7 %
Product	7,410	43,701	16,053	91,112	(36,291)	(83.0)%	(75,059)	(82.4)%
Energy storage	5,627	2,514	18,348	4,360	3,113	123.8 %	13,988	320.8 %
Total	$ 146,901	$ 174,900	$ 313,253	$ 367,013	$ (27,999)	(16.0)%	$ (53,760)	(14.6)%

	% of Revenues for Period Indicated			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Electricity	91.1%	73.6%	89.0%	74.0%
Product	5.0	25.0	5.1	24.8
Energy storage	3.8	1.4	5.9	1.2
Total	100.0%	100.0%	100.0%	100.0%

The following table sets forth the geographic breakdown of the revenues attributable to our Electricity, Product and Energy Storage segments for the periods indicated:

	Revenue				Increase (decrease)			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020	2021		2021	
	(Dollars in thousands)		(Dollars in thousands)					
Electricity Segment:								
United States	$ 87,564	$ 80,427	$ 186,540	$ 172,119	$ 7,137	8.9%	$ 14,421	8.4%
Foreign	46,300	48,258	92,312	99,422	(1,958)	(4.1)	(7,110)	(7.2)
Total	$ 133,864	$ 128,685	$ 278,852	$ 271,541	$ 5,179	4.0%	$ 7,311	2.7%
Product Segment:								
United States	$ 647	$ 2,269	$ 2,500	$ 2,667	$ (1,622)	(71.5)%	$ (167)	(6.3)%
Foreign	6,763	41,432	13,553	88,445	(34,669)	(83.7)	(74,892)	(84.7)
Total	$ 7,410	$ 43,701	$ 16,053	$ 91,112	$ (36,291)	(83.0)%	$ (75,059)	(82.4)%
Energy Storage Segment:								
United States	$ 5,627	$ 2,514	$ 18,348	$ 4,359	$ 3,113	123.8%	$ 13,989	320.9%
Total	$ 5,627	$ 2,514	$ 18,348	$ 4,359	$ 3,113	123.8%	$ 13,989	320.9%

	% of Revenues for Period Indicated			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Electricity Segment:				
United States	65.4%	62.5%	66.9%	63.4%
Foreign	34.6	37.5	33.1	36.6
Total	100.0%	100.0%	100.0%	100.0%
Product Segment:				
United States	8.7%	5.2%	15.6%	2.9%
Foreign	91.3	94.8	84.4	97.1
Total	100.0%	100.0%	100.0%	100.0%
Energy Storage:				
United States	100.0%	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%

In the six months ended June 30, 2021 and 2020, 34% and 51% of our total revenues were derived from foreign locations, respectively, and our foreign operations were more profitable than our U.S. operations in each of those periods. A substantial portion of international revenues came from Kenya and, to a lesser extent, from Honduras, Guadeloupe and Guatemala and other countries. Our operations in Kenya contributed disproportionately to gross profit and net income. The contribution to combined pre-tax income of our domestic and foreign operations within our Electricity segment and Product segment differ in a number of ways.

Electricity Segment. Our Electricity segment domestic revenues were approximately 67% and 63% of our total Electricity segment for the six months ended June 30, 2021 and 2020, respectively. However, domestic operations have higher cost of revenues and expenses than our foreign operations. Our foreign power plants are located in lower-cost regions, like Kenya, Guatemala, Honduras and Guadeloupe, which favorably impacts payroll, and maintenance expenses among other items. Our power plants in foreign locations are also newer than most of our domestic power plants and therefore tend to have lower maintenance costs and higher availability factors than our domestic power plants. Consequently, in the six months ended June 30, 2021 and 2020, our Electricity segment foreign operations accounted for 48% and 48% of our total gross profits, 78% and 70% of our net income (assuming the majority of corporate operating expenses and financing are recorded under domestic jurisdiction) and 51% and 44% of our EBITDA, respectively. However, financing costs related to the foreign projects are higher than financing costs related to our domestic activity.

Product Segment. Our Product segment foreign revenues were approximately 84% and 97% of our total Product segment revenues for the six months ended June 30, 2021 and 2020, respectively. Our Product segment foreign activity also benefits from lower costs of revenues and expenses than Product segment domestic activity such as labor and transportation costs. Accordingly, our Product segment foreign activity contributes more than our Product segment domestic activity to our pre-tax income from operations.

Seasonality

Electricity generation from some of our geothermal power plants is subject to seasonal variations; in the winter, our power plants produce more energy primarily attributable to the lower ambient temperature, which has a favorable impact on the energy component of our Electricity segment revenues and the prices under many of our contracts are fixed throughout the year with no time-of-use impact. The prices paid for electricity under the PPAs for the Heber 2 power plant in the Heber Complex, the Mammoth Complex and the North Brawley power plant in California, the Raft River power plant in Idaho and the Neal Hot Springs power plant in Oregon, are higher in the months of June through September. The higher payments payable under these PPAs in the summer months partially offset the negative impact on our revenues from lower generation in the summer attributable to a higher ambient temperature. As a result, we expect the revenues and gross profit in the winter months to be higher than the revenues and gross profit in the summer months and in general we expect the first and fourth quarters to generate higher revenues than the second and third quarters.

Breakdown of Cost of Revenues

The principal cost of revenues attributable to our three segments are discussed in our 2020 Annual Report under “Part II - Item 7 – Management Discussion and Analysis of Financial Condition and Results of Operation”.

Critical Accounting Estimates and Assumptions

A comprehensive discussion of our critical accounting estimates and assumptions is included in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section in our 2020 Annual Report.

New Accounting Pronouncements

See Note 2 to our condensed consolidated financial statements set forth in Item 1 of this quarterly report for information regarding new accounting pronouncements.

Results of Operations

Our historical operating results in dollars and as a percentage of total revenues are presented below. A comparison of the different years described below may be of limited utility due to (i) our recent construction of power plants and enhancement of acquired power plants; (ii) fluctuation in revenues from our Product segment; and (iii) the impact of the lava eruption on our Puna plant in Hawaii and the related insurance proceeds.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
Statements of Operations Historical Data:				
Revenues:				
Electricity	$ 133,864	$ 128,685	$ 278,852	$ 271,541
Product	7,410	43,701	16,053	91,112
Energy storage	5,627	2,514	18,348	4,360
Total Revenues	146,901	174,900	313,253	367,013
Cost of revenues:				
Electricity	83,736	71,950	163,587	143,318
Product	5,924	34,709	13,998	71,687
Energy storage	5,266	2,855	10,046	4,804
Total cost of revenues	94,926	109,514	187,631	219,809
Gross profit				
Electricity	50,128	56,735	115,265	128,223
Product	1,486	8,992	2,055	19,425
Energy storage	361	(341)	8,302	(444)
Total gross profit	51,975	65,386	125,622	147,204
Operating expenses:				
Research and development expenses	1,128	1,172	2,004	2,791
Selling and marketing expenses	3,988	4,854	8,264	9,648
General and administrative expenses	18,240	11,870	36,846	28,615
Business interruption insurance income	—	(585)	—	(2,982)
Operating income	28,619	48,075	78,508	109,132
Other income (expense):				
Interest income	808	441	1,071	843
Interest expense, net	(18,626)	(19,785)	(37,642)	(37,058)
Derivatives and foreign currency transaction gains (losses)	658	671	(16,208)	1,064
Income attributable to sale of tax benefits	7,420	5,672	13,775	9,804
Other non-operating income (expense), net	(21)	304	(352)	382
Income from operations before income tax and equity in earnings (losses) of investees	18,858	35,378	39,152	84,167
Income tax provision	(4,268)	(11,766)	(7,275)	(29,914)
Equity in earnings (losses) of investees, net	605	1,658	1,147	923
Net income	15,195	25,270	33,024	55,176
Net income attributable to noncontrolling interest	(2,169)	(2,224)	(4,739)	(6,097)
Net income attributable to the Company's stockholders	$ 13,026	$ 23,046	$ 28,285	$ 49,079
Earnings per share attributable to the Company's stockholders:				
Basic:	$ 0.23	$ 0.45	$ 0.51	$ 0.96
Diluted:	$ 0.23	$ 0.45	$ 0.50	$ 0.95
Weighted average number of shares used in computation of earnings per share attributable to the Company's stockholders:				
Basic	55,992	51,043	55,990	51,040
Diluted	$ 56,316	$ 51,362	$ 56,502	$ 51,448

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Statements of Operations Data:				
Revenues:				
Electricity	91.1%	73.6%	89.0%	74.0%
Product	5.0	25.0	5.1	24.8
Energy storage	3.8	1.4	5.9	1.2
Total Revenues	100.0	100.0	100.0	100.0
Cost of revenues:				
Electricity	62.6	55.9	58.7	52.8
Product	79.9	79.4	87.2	78.7
Energy storage	93.6	113.6	54.8	110.2
Total cost of revenues	64.6	62.6	59.9	59.9
Gross profit				
Electricity	37.4	44.1	41.3	47.2
Product	20.1	20.6	12.8	21.3
Energy storage	6.4	(13.6)	45.2	(10.2)
Total gross profit	35.4	37.4	40.1	40.1
Operating expenses:				
Research and development expenses	0.8	0.7	0.6	0.8
Selling and marketing expenses	2.7	2.8	2.6	2.6
General and administrative expenses	12.4	6.8	11.8	7.8
Business interruption insurance income	0.0	(0.3)	0.0	(0.8)
Operating income	19.5	27.5	25.1	29.7
Other income (expense):				
Interest income	0.6	0.3	0.3	0.2
Interest expense, net	(12.7)	(11.3)	(12.0)	(10.1)
Derivatives and foreign currency transaction gains (losses)	0.4	0.4	(5.2)	0.3
Income attributable to sale of tax benefits	5.1	3.2	4.4	2.7
Other non-operating income (expense), net	0.0	0.2	(0.1)	0.1
Income from operations before income tax and equity in earnings (losses) of investees	12.8	20.2	12.5	22.9
Income tax provision	(2.9)	(6.7)	(2.3)	(8.2)
Equity in earnings (losses) of investees, net	0.4	0.9	0.4	0.3
Net income	10.3	14.4	10.5	15.0
Net income attributable to noncontrolling interest	(1.5)	(1.3)	(1.5)	(1.7)
Net income attributable to the Company's stockholders	8.9%	13.2%	9.0%	13.4%

Comparison of the Three Months Ended June 30, 2021 to the Three Months Ended June 30, 2020

Total Revenues

	Three Months Ended June 30,		
	2021	2020	Change
	(Dollars in millions)		
Electricity segment	$ 133.9	$ 128.7	4.0%
Product segment	7.4	43.7	(83.0)
Energy Storage segment	5.6	2.5	123.8
Total revenues	$ 146.9	$ 174.9	(16.0)%

Total revenues for the three months ended June 30, 2021 were $146.9 million, compared to $174.9 million for the three months ended June 30, 2020, which represented a 16.0% decrease from the prior year period. This decrease was attributable to a $36.3 million, or 83.0%, decrease in our Product segment revenues compared to the corresponding period in 2020, offset partially by a $5.2 million, or 4.0% increase in Electricity segment revenues and a $3.1 million, or 123.8% increase in Energy Storage segment revenues as compared to the corresponding period in 2020, all as discussed below.

Electricity Segment

Revenues attributable to our Electricity segment for the three months ended June 30, 2021 were $133.9 million, compared to $128.7 million for the three months ended June 30, 2020. The increase in our Electricity segment revenues was mainly due to the resumption of partial operations of the Puna power plant, the enhancement of Steamboat Hills in June 2020 and the expansion of McGinness Hills complex in May 2021, partially offset by a decrease in revenues from the Olkaria complex due to a combination of lower resource performance that caused a capacity reduction and continued curtailment by our local customer, KPLC. In addition, in the Steamboat complex we had a mechanical issue that was resolved after few days, and in Brawley we are experiencing a surface leak in one of the injection wells that reduced significantly the generation. The repair work at Brawley is still in process.

Power generation in our power plants increased by 2.4% from 1,444,249 MWh in the three months ended June 30, 2020 to 1,479,169 MWh in the three months ended June 30, 2021.

Product Segment

Revenues attributable to our Product segment for the three months ended June 30, 2021 were $7.4 million, compared to $43.7 million for the three months ended June 30, 2020, which represented an 83.0% decrease. The decrease in our Product segment revenues was mainly due to decreases in our backlog as a result of COVID-19, projects in Turkey, New Zealand and Chile, which started in 2019, and provided $20.1 million in revenue recognized during the three months ended June 30, 2020 compared to $2.9 million in the three months ended June 30, 2021, and projects in Turkey, which started in 2020, and provided $19.5 million in revenue recognized during the three months ended June 30, 2020 compared to nil in the three months ended June 30, 2021.

Energy Storage Segment

Revenues attributable to our Energy Storage segment for the three months ended June 30, 2021 were $5.6 million compared to $2.5 million for the three months ended June 30, 2020. The increase is mainly due to $2.3 million of revenues from the Pomona energy storage asset that we acquired in July 2020.

Total Cost of Revenues

	Three Months Ended June 30,		
	2021	2020	Change
	(Dollars in millions)		
Electricity segment	$ 83.7	$ 72.0	16.4%
Product segment	5.9	34.7	(82.9)
Energy Storage segment	5.3	2.9	84.4
Total cost of revenues	$ 94.9	$ 109.5	(13.3)%

Total cost of revenues for the three months ended June 30, 2021 was $94.9 million, compared to $109.5 million for the three months ended June 30, 2020, which represented a 13.3% decrease. This decrease was attributable to a decrease of $28.8 million, or 82.9%, in cost of revenues from our Product segment offset partially by an increase of $11.8 million, or 16.4%, in cost of revenues from our Electricity segment, and an increase of $2.4 million, or 84.4%, in cost of revenues from our Energy Storage segment, all as discussed below. As a percentage of total revenues, our total cost of revenues for the three months ended June 30, 2021 increased to 64.6% from 62.6% for the three months ended June 30, 2020.

Electricity Segment

Total cost of revenues attributable to our Electricity segment for the three months ended June 30, 2021 was $83.7 million, compared to $72.0 million for the three months ended June 30, 2020. This increase was primarily attributable to: (i) cost of revenues related to the enhancement of Steamboat Hills in June 2021, (ii) the resumption of partial operations of the Puna power plant; (iii) cost of revenues at our Puna power plant in the three months ended June 30, 2020, included business interruption insurance recovery of $2.7 million, and (iv) costs related to repair and recovery of the Steamboat and Brawley complexes following a mechanical issue we had during the second quarter of 2021, as discussed above. As a percentage of total Electricity revenues, our total cost of revenues attributable to our Electricity segment for the three months ended June 30, 2021 was 62.6%, compared to 55.9% for the three months ended June 30, 2020. This increase was primarily attributable to the decrease in gross profit relating to higher operational costs in some of our power plants. The cost of revenues attributable to our international power plants for the three months ended June 30, 2021 was 21.0% of our total Electricity segment cost of revenues for this period.

Product Segment

Total cost of revenues attributable to our Product segment for the three months ended June 30, 2021 was $5.9 million, compared to $34.7 million for the three months ended June 30, 2020, which represented an 82.9% decrease. This decrease was primarily attributable to the decrease in Product segment revenues, as discussed above. As a percentage of total Product segment revenues, our total cost of revenues attributable to our Product segment for the three months ended June 30, 2021 and 2020, was 79.9% and 79.4%, respectively.

Energy Storage Segment

Cost of revenues attributable to our Energy Storage segment for the three months ended June 30, 2021 were $5.3 million compared to $2.9 million for the three months ended June 30, 2020. Cost of revenues attributable to our Energy Storage segment for the three months ended June 30, 2021 includes $1.7 million from the acquisition of the Pomona energy storage asset, in July 2020. The Energy Storage segment includes cost of revenues related to the delivery of energy storage, demand response and energy management services.

Research and Development Expenses, Net

Research and development expenses for the three months ended June 30, 2021 were $1.1 million, compared to $1.2 million for the three months ended June 30, 2020.

Selling and Marketing Expenses

Selling and marketing expenses for the three months ended June 30, 2021 were $4.0 million compared to $4.9 million for the three months ended June 30, 2020. The decrease was mainly due to a decrease in sales commissions as a result of the decrease in Product segment revenues. Selling and marketing expenses for the three months ended June 30, 2021 constituted 2.7% of total revenues for such period, compared to 2.8% for the three months ended June 30, 2020.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2021 were $18.2 million compared to $11.9 million for the three months ended June 30, 2020. The increase was primarily attributable to transaction costs related to the recently acquired assets, legal costs mainly associated with investigation by the Special Committee and a gain of $1.3 million from the sale of a concession in the three months ended June 30, 2020. General and administrative expenses for the three months ended June 30, 2021 constituted 12.4% of total revenues for such period, compared to 6.8% for the three months ended June 30, 2020.

Business Interruption Insurance Income

Business interruption insurance income for the three months ended June 30, 2021 was nil compared to $0.6 million for the three months ended June 30, 2020. Business interruption insurance income for the three months ended June 30, 2020 was attributable to business interruption recovery relating to the Puna power plant.

Interest Expense, Net

Interest expense, net for the three months ended June 30, 2021 was $18.6 million, compared to $19.8 million for the three months ended June 30, 2020. This decrease was primarily due to a $1.2 million decrease in interest expense primarily due to a $1.2 million increase in interest capitalized to internal construction projects and lower interest expense as a result of principal payments of long term debt, partially offset by $79.4 million of proceeds from a Senior Unsecured Bonds Series 3 received in April and May 2020; (ii) $50.0 million of proceeds from a Senior Unsecured Loan received in April 2020, and (iii) $290 million of proceeds from Bonds Series 4 received in July 2020.

Derivatives and Foreign Currency Transaction Gains (Losses)

Derivatives and foreign currency transaction gains for the three months ended June 30, 2021 were $0.7 million, compared to $0.7 million for the three months ended June 30, 2020. Derivatives and foreign currency transaction gains (losses) for the three months ended June 30, 2021 includes gains from foreign currency forward contracts which were not accounted for as hedge transactions.

Income Attributable to Sale of Tax Benefits

Income attributable to the sale of tax benefits for the three months ended June 30, 2021 was $7.4 million, compared to $5.7 million for the three months ended June 30, 2020. Tax equity is a form of financing used for renewable energy projects. This income primarily represents the value of production tax credits (“PTCs”) and taxable income or loss generated by certain of our power plants allocated to investors under tax equity transactions.

Income Taxes

Income tax provision for the three months ended June 30, 2021 was $4.3 million compared to income tax provision of $11.8 million for the three months ended June 30, 2020. Our effective tax rate for the three months ended June 30, 2021 and 2020, was 22.6% and 33.3%, respectively. The effective rate differs from the federal statutory rate of 21% primarily due to the jurisdictional mix of earnings at differing tax rates, movement in the valuation allowance and generation of production tax credits.

Equity in Earnings (losses) of Investees, Net

Equity in earnings of investees, net for the three months ended June 30, 2021 was $0.6 million, compared to $1.7 million for the three months ended June 30, 2020. Equity in earnings (losses) of investees, net is mainly derived from our 12.75% share in the earnings or losses in the Sarulla Consortium ("Sarulla"). The decrease was mainly due to the revaluation of the local currency compared to the U.S. dollar during the three months ended June 30, 2020. Sarulla is currently developing a remediation plan with a target to increase generation in the near-term back to previous levels. We are following the remediation plans in Sarulla as well as the accounting impact and its implication on our financial statements and our investment in Sarulla.

Net Income Attributable to the Company's Stockholders

Net income attributable to the Company's stockholders for the three months ended June 30, 2021 was $13.0 million, compared to net income attributable to the Company's stockholders of $23.0 million for the three months ended June 30, 2020, which represents a decrease of $10.0 million. This decrease was attributable to the decrease of $10.1 million in net income which was affected by all the explanations above.

Comparison of the Six Months Ended June 30, 2021 to the Six Months Ended June 30, 2020

Total Revenues

	Six Months Ended June 30,		
	2021	2020	Change
	(Dollars in millions)		
Electricity segment	$ 278.9	$ 271.5	2.7%
Product segment	16.1	91.1	(82.4)
Energy Storage segment	18.3	4.4	320.8
Total revenues	$ 313.3	$ 367.0	(14.6%)

Total revenues for the six months ended June 30, 2021 were $313.3 million, compared to $367.0 million for the six months ended June 30, 2020, which represented a 14.6% decrease from the prior year period. This decrease was attributable to a $75.1 million, or 82.4%, decrease in our Product segment revenues compared to the corresponding period in 2020, partially offset by a $7.3 million, or 2.7% increase in Electricity segment revenues and a $14.0 million, or 320.8% increase in Energy Storage segment revenues as compared to the corresponding period in 2020.

Electricity Segment

Revenues attributable to our Electricity segment for the six months ended June 30, 2021 were $278.9 million, compared to $271.5 million for the six months ended June 30, 2020. The increase in our Electricity segment revenues was mainly due to the enhancement of Steamboat Hills in June 2020 and the resumption of partial operations of the Puna power plant, partially offset by a decrease in revenues from the Olkaria complex due to lower resource performance that caused a capacity reduction as well as continued curtailment by our local customer, KPLC. In addition, in the second quarter 2021, we had a mechanical issue in the Steamboat complex that was resolved after a few days, and in Brawley we are experiencing a surface leak in one of the injection wells that reduced significantly the generation. The repair work at Brawley is still in a process.

Power generation in our power plants increased by 2.2% from 3,087,575 MWh in the six months ended June 30, 2020 to 3,156,062 MWh in the six months ended June 30, 2021.

Product Segment

Revenues attributable to our Product segment for the six months ended June 30, 2021 were $16.1 million, compared to $91.1 million for the six months ended June 30, 2020, which represented an 82.4% decrease. The decrease in our Product segment revenues was mainly due to decreases in our backlog as a result of COVID 19, projects in Turkey, New Zealand and Chile, which started in 2019, and provided $60.1 million in revenue recognized during the six months ended June 30, 2020 compared to $7.3 million in the six months ended June 30, 2021 and projects in Turkey, which started in 2020, and provided $19.5 million in revenue recognized during the six months ended June 30, 2020 compared to zero in the six months ended June 30, 2021.

Energy Storage Segment

Revenues attributable to our Energy Storage segment for the six months ended June 30, 2021 were $18.3 million compared to $4.4 million for the six months ended June 30, 2020. The increase is mainly due to an increase of $7.4 million in revenues from the Rabbit Hill battery energy storage facility primarily as a result of the February power crisis in Texas, which resulted in a record high increase in demand for electricity on the one hand and a significant decrease in electricity supply in the region on the other hand. This led to a significant increase in the Responsive Reserve Service market price. In addition, we recorded $5.0 million of revenues from the Pomona energy storage asset that we acquired in July 2020.

Total Cost of Revenues

	Six Months Ended June 30,		
	2021	2020	Change
	(Dollars in millions)		
Electricity segment cost of revenues	$ 163.6	$ 143.3	14.1%
Product segment cost of revenues	14.0	71.7	(80.5)
Energy Storage	10.0	4.8	109.1
Total cost of revenues	$ 187.6	$ 219.8	(14.6%)

Total cost of revenues for the six months ended June 30, 2021 was $187.6 million, compared to $219.8 million for the six months ended June 30, 2020, which represented a 14.6% decrease. This decrease was attributable to a decrease of $57.7 million, or 80.5%, in cost of revenues from our Product segment partially offset by an increase of $20.3 million, or 14.1%, in cost of revenues from our Electricity segment, and an increase of $5.2 million, or 109.1%, in cost of revenues from our Energy Storage segment, all as discussed below. As a percentage of total revenues, our total cost of revenues for both the six months ended June 30, 2021 and 2020 respectively, was 59.9%.

Electricity Segment

Total cost of revenues attributable to our Electricity segment for the six months ended June 30, 2021 was $163.6 million, compared to $143.3 million for the for the six months ended June 30, 2020. This increase was primarily attributable to: (i) cost of revenues related to the enhancement of Steamboat Hills in June 2020 and (ii) the resumption of partial operations of the Puna power plant; cost of revenues at our Puna power plant in the six months ended June 30, 2020, including business interruption insurance recovery of $5.2 million in the six months ended June 30, 2020. As a percentage of total Electricity revenues, our total cost of revenues attributable to our Electricity segment for the six months ended June 30, 2021 was 58.7%, compared to 52.8% for the six months ended June 30, 2020. This increase was primarily attributable to the decrease in gross profit relating to higher operational costs in some of our power plants. The cost of revenues attributable to our international power plants for the six months ended June 30, 2021 was 21.6% of our total Electricity segment cost of revenues for this period.

Product Segment

Total cost of revenues attributable to our Product segment for the six months ended June 30, 2021 was $14.0 million, compared to $71.7 million for the six months ended June 30, 2020, which represented an 80.5% decrease. This decrease was primarily attributable to the decrease in Product segment revenues, as discussed above. As a percentage of total Product segment revenues, our total cost of revenues attributable to our Product segment for the six months ended June 30, 2021 and 2020, was 87.2% and 78.7%, respectively.

Energy Storage Segment

Cost of revenues attributable to our Energy Storage segment for the six months ended June 30, 2021 were $10.0 million compared to $4.8 million for the six months ended June 30, 2020. Cost of revenues attributable to our Energy Storage segment for the six months ended June 30, 2021 includes $3.2 million from the acquisition of the Pomona energy storage asset that was acquired in July 2020. The Energy Storage segment includes cost of revenues related to the delivery of energy storage, demand response and energy management services.

Research and Development Expenses, Net

Research and development expenses for the six months ended June 30, 2021 were $2.0 million, compared to $2.8 million for the six months ended June 30, 2020. The decrease is mainly attributable to the timing of new development projects that took place during the six months ended June 30, 2021 compared to the corresponding period in 2020.

Selling and Marketing Expenses

Selling and marketing expenses for the six months ended June 30, 2021 were $8.3 million compared to $9.6 million for the six months ended June 30, 2020. The decrease was mainly due to a decrease in sales commissions as a result of the decrease in Product segment revenues. Selling and marketing expenses for both the six months ended June 30, 2021 and 2020 respectively, constituted 2.6% of total revenues for such periods.

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2021 were $36.8 million compared to $28.6 million for the six months ended June 30, 2020. The increase was primarily attributable to the provision for doubtful debts of $3.0 million relating to imbalance charges from the grid operator in respect of our demand response operation that we may be unable to collect due to the February power crisis in Texas; an increase in transaction costs related to the assets acquired in the second quarter 2021, legal costs associated with the investigation by the Special Committee, and a gain of $1.3 million from the sale of a concession in the six months ended June 30, 2020. General and administrative expenses for the six months ended June 30, 2021 constituted 11.8% of total revenues for such period, compared to 7.8% for the six months ended June 30, 2020.

Business Interruption Insurance Income

Business interruption insurance income for the six months ended June 30, 2021 was nil compared to $3.0 million for the six months ended June 30, 2020. Business interruption insurance income for the six months ended June 30, 2020 is attributable to business interruption recovery relating to the Puna power plant.

Interest Expense, Net

Interest expense, net for the six months ended June 30, 2021 was $37.6 million, compared to $37.1 million for the six months ended June 30, 2020. This increase was primarily due to a $0.6 million increase in interest expense primarily related to $79.4 million of proceeds from a Senior Unsecured Bonds Series 3 received in April and May 2020; (ii) $50.0 million of proceeds from a Senior Unsecured Loan received in April 2020, and (iii) $290 million of proceeds from Bonds Series 4 received in July 2020, partially offset by a $2.1 million increase in interest capitalized to projects and lower interest expense as a result of principal payments of long term debt.

Derivatives and Foreign Currency Transaction Gains (Losses)

Derivatives and foreign currency transaction losses for the six months ended June 30, 2021 were $16.2 million, compared to gains of $1.1 million for the six months ended June 30, 2020. Derivatives and foreign currency transaction gains (losses) for the six months ended June 30, 2021 includes $14.5 million in losses relating to the hedge transaction associated with our Rabbit Hill battery energy storage facility, due to extreme weather conditions in the area of Georgetown, Texas in February 2021 as described above. In addition, we recorded losses from foreign currency forward contracts which were not accounted for as hedge transactions.

Income Attributable to Sale of Tax Benefits

Income attributable to the sale of tax benefits for the six months ended June 30, 2021 was $13.8 million, compared to $9.8 million for the six months ended June 30, 2020. Tax equity is a form of financing used for renewable energy projects. This income primarily represents the value of production tax credits (“PTCs”) and taxable income or loss generated by certain of our power plants allocated to investors under tax equity transactions.

Income Taxes

Income tax provision for the six months ended June 30, 2021 was $7.3 million compared to $29.9 million for the six months ended June 30, 2020. Our effective tax rate for the six months ended June 30, 2021 and 2020, was 18.6% and 35.5%, respectively. The effective rate differs from the federal statutory rate of 21% for the six months ended June 30, 2021 primarily due to the jurisdictional mix of earnings at differing tax rates from the federal statutory tax rate; movement in the valuation allowance; and generation of production tax credits.

Equity in Earnings (losses) of Investees, Net

Equity in earnings of investees, net for the six months ended June 30, 2021 was $1.1 million, compared to $0.9 million for the six months ended June 30, 2020. Equity in earnings (losses) of investees, net is mainly derived from our 12.75% share in the earnings or losses in the Sarulla Consortium ("Sarulla"). Sarulla is currently developing a remediation plan with a target to increase generation in the near-term back to previous levels. We are following the remediation plans in Sarulla as well as the accounting impact and its implication on our financial statements and our investment in Sarulla.

Net Income Attributable to the Company’s Stockholders

Net income attributable to the Company’s stockholders for the six months ended June 30, 2021 was $28.3 million, compared to $49.1 million for the six months ended June 30, 2020, which represents a decrease of $20.8 million. This decrease was attributable to the decrease of $22.2 million in net income which was affected by all the explanations above.

Liquidity and Capital Resources

Our principal sources of liquidity have been derived from cash flows from operations, proceeds from third party debt such as borrowings under our credit facilities, private or public offerings and issuances of debt or equity securities, project financing and tax monetization transactions, short term borrowing under our lines of credit, and proceeds from the sale of equity interests in one or more of our projects. We have utilized this cash to develop and construct power plants, fund our acquisitions, pay down existing outstanding indebtedness, and meet our other cash and liquidity needs.

As of June 30, 2021, we had access to (i) $250.0 million in cash and cash equivalents, of which $40.0 million is held by our foreign subsidiaries; (ii) $46.0 million in marketable securities and (iii) $386.2 million of unused corporate borrowing capacity under existing committed lines of credit with different commercial banks.

Our estimated capital needs for the remainder of 2021 include $278.0 million for capital expenditures on new projects under development or construction including storage projects, exploration activity and maintenance capital expenditures for our existing projects. In addition, $42.2 million will be needed for debt repayment.

We expect to finance these requirements with: (i) the sources of liquidity described above; (ii) positive cash flows from our operations; and (iii) future project financings and re-financings (including construction loans and tax equity). Management believes that, based on the current stage of implementation of our strategic plan, the sources of liquidity and capital resources described above will address our anticipated liquidity, capital expenditures, and other investment requirements.

As of June 30, 2021, we continue to maintain our assertion to no longer indefinitely reinvest foreign funds held by our foreign subsidiaries, with the exception of a certain balance held in Israel, and have accrued the incremental foreign withholding taxes. Accordingly, during the six months ended June 30, 2021, we included a foreign income tax expense of $1.6 million related to foreign withholding taxes on accumulated earnings of all of our foreign subsidiaries.

Letters of Credits Under Credit Agreements

Some of our customers require our project subsidiaries to post letters of credit in order to guarantee their respective performance under relevant contracts. We are also required to post letters of credit to secure our obligations under various leases and licenses and may, from time to time, decide to post letters of credit in lieu of cash deposits in reserve accounts under certain financing arrangements. In addition, our subsidiary, Ormat Systems, is required from time to time to post performance letters of credit in favor of our customers with respect to orders of products.

Credit Agreements	Issued Amount	Issued and Outstanding as of June 30, 2021	Termination Date
	(Dollars in millions)		
Committed lines for credit and letters of credit	$ 468.0	$ 81.8	August 2021-July 2022
Committed lines for letters of credit	160.0	102.0	September 2021-April 2022
Non-committed lines	—	10.1	December 2021
Total	$ 628.0	$ 193.9	

Restrictive Covenants

Our obligations under the credit agreements, the loan agreements, and the trust instrument governing the bonds described above, are unsecured, but we are subject to a negative pledge in favor of the banks and the other lenders and certain other restrictive covenants. These include, among other things, restraints on: (i) creating any floating charge or any permanent pledge, charge or lien over our assets without obtaining the prior written approval of the lender; (ii) guaranteeing the liabilities of any third party without obtaining the prior written approval of the lender; and (iii) selling, assigning, transferring, conveying or disposing of all or substantially all of our assets, or a change of control in our ownership structure. Some of the credit agreements, the term loan agreements, and the trust instrument contain cross-default provisions with respect to other material indebtedness owed by us to any third party. In some cases, we have agreed to maintain certain financial ratios, which are measured quarterly, such as: (i) equity of at least $750 million and in no event less than 25% of total assets; (ii) 12-month debt, net of cash, cash equivalents, and short-term bank deposits to Adjusted EBITDA ratio not to exceed 6.0; and (iii) dividend distributions not to exceed 50% of net income in any calendar year. As of June 30, 2021: (i) total equity was $1,959.9 million and the actual equity to total assets ratio was 51.3% and (ii) the 12-month debt, net of cash, cash equivalents, to Adjusted EBITDA ratio was 2.8. During the six months ended June 30, 2021, we distributed interim dividends in an aggregate amount of $13.2 million. The failure to perform or observe any of the covenants set forth in such agreements, subject to various cure periods, would result in the occurrence of an event of default and would enable the lenders to accelerate all amounts due under each such agreement.

As described above, we are currently in compliance with our covenants with respect to the credit agreements, the loan agreements and the trust instrument, and believe that the restrictive covenants, financial ratios and other terms of any of our full-recourse bank credit agreements will not materially impact our business plan or operations.

Future minimum payments

Future minimum payments under long-term obligations, excluding revolving credit lines with commercial banks, as of June 30, 2021, are as follows:

		(Dollars in thousands)
Year ending December 31:		
2021	$	46,223
2022		342,604
2023		137,497
2024		120,379
2025		120,511
Thereafter		709,367
Total	$	1,476,581

Third-Party Debt

Our third-party debt consists of (i) non-recourse and limited-recourse project finance debt or acquisition financing debt that we or our subsidiaries have obtained for the purpose of developing and constructing, refinancing or acquiring our various projects and (ii) full-recourse debt incurred by us or our subsidiaries for general corporate purposes.

Non-Recourse and Limited-Recourse Third-Party Debt

Loan	Amount Issued	Amount Outstanding as of June 30, 2021	Interest Rate	Maturity Date	Related Project	Location
	(Dollars in millions)					
OFC 2 Senior Secured Notes – Series A	$ 151.7	$ 82.7	4.67%	2032	McGinness Hills phase 1 and Tuscarora	U.S.
OFC 2 Senior Secured Notes – Series B	140.0	97.1	4.61%	2032	McGinness Hills phase 2	U.S.
Olkaria III Financing Agreement with DFC – Tranche 1	85.0	44.8	6.34%	2030	Olkaria III Complex	Kenya
Olkaria III Financing Agreement with DFC – Tranche 2	180.0	95.3	6.29%	2030	Olkaria III Complex	Kenya
Olkaria III Financing Agreement with DFC – Tranche 3	45.0	25.5	6.12%	2030	Olkaria III Complex	Kenya
Amatitlan Financing(1)	42.0	21.0	LIBOR+4.35%	2027	Amatitlan	Guatemala
Don A. Campbell Senior Secured Notes	92.5	70.0	4.03%	2033	Don A. Campbell Complex	U.S.
Prudential Capital Group Idaho Loan(2)	20.0	16.9	5.80%	2023	Neal Hot Springs and Raft River	U.S.
U.S. Department of Energy Loan(3)	96.8	40.5	2.60%	2035	Neal Hot Springs	U.S.
Prudential Capital Group Nevada Loan	30.7	25.9	6.75%	2037	San Emidio	U.S.
Platanares Loan with DFC	114.7	92.2	7.02%	2032	Platanares	Honduras
Viridity - Plumstriker	23.5	16.5	LIBOR+3.5%	2026	Plumsted+Striker	U.S.
Géothermie Bouillante(4)	8.9	6.9	1.52%	2026	Géothermie Bouillante	Guadeloupe
Géothermie Bouillante(4)	8.9	9.0	1.93%	2026	Géothermie Bouillante	Guadeloupe
Total	**$ 1,039.7**	**$ 644.3**				

1. LIBO Rate cannot be lower than 1.25%. Margin of 4.35% as long as the Company's guaranty of the loan is outstanding (current situation) or 4.75% otherwise.
2. Secured by equity interest.
3. Secured by the assets.
4. Loan in Euro and issued amount is EUR 8.0 million

Full-Recourse Third-Party Debt

Loan	Issued Amount	Outstanding Amount as of June 30, 2021	Interest Rate	Maturity Date
	(Dollars in millions)			
Senior Unsecured Bonds Series 3	$218.0	$218.0	4.45%	September 2022
Senior Unsecured Bonds Series 4 (1)	289.8	306.7	3.35%	June 2031
Senior unsecured Loan 1	100.0	100.0	4.80%	March 2029
Senior unsecured Loan 2	50.0	50.0	4.60%	March 2029
Senior unsecured Loan 3	50.0	50.0	5.44%	March 2029
DEG Loan 2	50.0	35.0	6.28%	June 2028
DEG Loan 3	41.5	30.6	6.04%	June 2028
Total	**$799.3**	**$790.3**		

(1) Bonds issued in total aggregate principal amount of NIS 1.0 billion.

Liquidity Impact of Uncertain Tax Positions

The Company has a liability associated with unrecognized tax benefits and related interest and penalties in the amount of approximately $3.5 million as of June 30, 2021. This liability is included in long-term liabilities in our condensed consolidated balance sheet because we generally do not anticipate that settlement of the liability will require payment of cash within the next twelve months. We are not able to reasonably estimate when we will make any cash payments required to settle this liability.

Dividends

The following are the dividends declared by us since June 30, 2019:

Date Declared	Dividend Amount per Share	Record Date	Payment Date
May 6, 2019	$ 0.11	May 20, 2019	May 28, 2019
August 7, 2019	$ 0.11	August 20, 2019	August 27, 2019
November 6, 2019	$ 0.11	November 20, 2019	December 4, 2019
February 25, 2020	$ 0.11	March 12, 2020	March 26, 2020
May 8, 2020	$ 0.11	May 21, 2020	June 2, 2020
August 4, 2020	$ 0.11	August 18, 2020	September 1, 2020
November 4, 2020	$ 0.11	November 18, 2020	December 2, 2020
February 24, 2021	$ 0.12	March 11, 2021	March 29, 2021
August 4, 2021	$ 0.12	August 18, 2021	September 1, 2021
May 5, 2021	$ 0.12	May 18, 2021	June 1, 2021

Historical Cash Flows

The following table sets forth the components of our cash flows for the periods indicated:

	Six Months Ended June 30,	
	2021	2020
	(Dollars in thousands)	
Net cash provided by operating activities	$ 98,844	$ 154,354
Net cash used in investing activities	(254,512)	(159,027)
Net cash provided by (used in) financing activities	(50,976)	101,422
Net change in cash and cash equivalents and restricted cash and cash equivalents	(206,901)	96,724

For the Six Months Ended June 30, 2021

Net cash provided by operating activities for the six months ended June 30, 2021 was $98.8 million, compared to $154.4 million for the six months ended June 30, 2020. The net decrease of $55.5 million was primarily due to: (i) a net decrease of $13.0 million in costs and estimated earnings in excess of billings, net in our Product segment in the six months ended June 30, 2021, compared to $21.7 million in the six months ended June 30, 2020, as a result of timing of billing to our customers; (ii) a decrease of $4.5 million in deferred income tax provision in the six months ended June 30, 2021 compared to an increase of $19.7 million in the six months ended June 30, 2020; (iii) an increase of $4.9 million in prepaid expense and other in the six months ended June 30, 2021 compared to a decrease of $1.7 million in the six months ended June 30, 2020 mainly due to prepaid income taxes; and (iv) a decrease in accounts payable and accrued expenses of $37.7 million in the six months ended June 30, 2021, compared to an increase of $10.0 million in the six months ended June 30, 2020, mainly due to timing of payments to our supplier. The decrease was partially offset by a decrease in receivables of $9.9 million in the six months ended June 30, 2021, compared to an increase of $24.8 million in the six months ended June 30, 2020, as a result of the timing of collections from our customers.

Net cash used in investing activities for the six months ended June 30, 2021 was $254.5 million, compared to $159.0 million for the six months ended June 30, 2020. The principal factors that affected our net cash used in investing activities during the six months ended June 30, 2021 were: (i) capital expenditures of $207.9 million, primarily for our facilities under construction that support our growth plan; and (ii) purchase of marketable securities of $47.6 million. The principal factors that affected our net cash used in investing activities during the six months ended June 30, 2020 were capital expenditures of $151.3 million, primarily for our facilities under construction and an investment in an unconsolidated company of $7.8 million.

Net cash used in financing activities for the six months ended June 30, 2021 was $51.0 million, compared to $101.4 million provided by financing activities for the six months ended June 30, 2020. The principal factors that affected the net cash used in financing activities during the six months ended June 30, 2021 were: (i) the repayment of long-term debt in the amount of $36.5 million; (ii) a $13.2 million cash dividend payment and (iii) $5.2 million cash paid to a noncontrolling interest. The principal factors that affected our net cash provided by financing activities during the six months ended June 30, 2020 were: (i) $79.4 million of proceeds from a senior secured bonds series 3; (ii) $50.0 million of proceeds from a senior unsecured loan; (iii) net proceeds of $59.5 million from our revolving credit lines with commercial banks which were withdrawn primarily to secure cash in hand in order to meet our capital needs in light of the uncertainty related to the COVID-19 pandemic, partially offset by: (i) the repayment of commercial paper debt in the amount of $46.2 million; (ii) the repayment of long-term debt in the amount of $31.8 million; (iii) a $11.3 million cash dividend paid; and (iv) $3.7 million cash paid to a noncontrolling interest.

Non-GAAP Measures: EBITDA and Adjusted EBITDA

We calculate EBITDA as net income before interest, taxes, depreciation and amortization. We calculate Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, adjusted for (i) termination fees, (ii) impairment of long-lived assets, (iii) write-off of unsuccessful exploration activities, (iv) any mark-to-market gains or losses from accounting for derivatives, (v) merger and acquisition transaction costs, (vi) stock-based compensation, (vii) gains or losses from extinguishment of liabilities, (viii) gains or losses on sale of subsidiaries and property, plant and equipment and (ix) other unusual or non-recurring items. EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under accounting principles generally accepted in the U.S. (U.S. GAAP) and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or as an alternative to net earnings as indicators of our operating performance or any other measures of performance derived in accordance with U.S. GAAP. Our board of directors and senior management use EBITDA and Adjusted EBITDA to evaluate our financial performance. However, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do.

Net income for the three and six months ended June 30, 2021 was $15.2 million and $33.0 million, respectively, compared to $25.3 million and $55.2 million, respectively, for the three and six months ended June 30, 2020.

Adjusted EBITDA for the three and six months ended June 30, 2021 was $84.5 million and $183.8 million, respectively, compared to $97.9 million and $203.9 million, respectively, for the three and six months ended June 30, 2020.

The following table reconciles net income to EBITDA and Adjusted EBITDA for the three and six months period ended June 30, 2021 and 2020:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in thousands)		(Dollars in thousands)	
Net income	$ 15,195	$ 25,270	$ 33,024	$ 55,176
Adjusted for:				
Interest expense, net (including amortization of deferred financing costs)	17,818	19,344	36,571	36,215
Income tax provision (benefit)	4,268	11,766	7,275	29,914
Adjustment to investment in an unconsolidated company: our proportionate share in interest expense, tax and depreciation and amortization in Sarulla	2,899	3,199	5,364	5,876
Depreciation and amortization	42,126	36,812	82,955	72,100
EBITDA	$ 82,306	$ 96,391	$ 165,189	$ 199,281
Mark-to-market (gains) or losses from accounting for derivative	(990)	(1,482)	1,096	(2,043)
Stock-based compensation	2,623	2,264	4,720	4,253
Reversal of a contingent liability	—	—	(418)	—
Allowance for bad debts related to February power crisis in Texas	—	—	2,980	—
Hedge losses resulting from February power crisis in Texas	—	—	9,133	—
Merger and acquisition transaction costs	474	618	958	1,158
Other write-off	134	—	134	—
Settlement expenses	—	89	—	1,277
Adjusted EBITDA	$ 84,547	$ 97,880	$ 183,792	$ 203,926

In May 2014, Sarulla closed $1,170 million in financing. As of June 30, 2021, the credit facility had an outstanding balance of $976.0 million. Our proportionate share in the SOL credit facility is $124.4 million. In March 2021, Sarulla failed to meet its debt service coverage ratio under the credit facility agreement and is still undergoing negotiations with its lenders for a waiver covering this non-compliance as well as a remediation plan aimed to achieve compliance in the future.

Capital Expenditures

Our capital expenditures primarily relate to: (i) the development and construction of new power plants, (ii) the enhancement of our existing power plants; and (iii) investment in activities under our strategic plan.

The following is an overview of projects that are fully released for construction.

Heber Complex (California). We are currently in the process of repowering the Heber 1 and Heber 2 power plants. We are planning to replace steam turbine and old OEC units with new advanced technology equipment that will add a net capacity of 11 MW. Following these enhancements, we expect the capacity of the complex to reach 92 MW. Permitting, engineering and procurement are ongoing and manufacturing is near completion. Equipment transportation is ongoing and we experienced delays due to permitting. We expect commercial operation at the end of 2022.

CD 4 Project (California). We plan to develop a 30 MW project at the Mammoth complex on primarily Bureau of Land Management ("BLM") leases. We signed a Wholesale Distribution Access Tariff Cluster Large Generator Interconnection Agreement with Southern California Edison in December 2017. We signed a 25-year PPA with SCPPA for 16 MW that will be sold to the City of Colton in California, and we recently signed an additional two similar 10-year PPAs with Silicon Valley Clean Energy and Monterey Bay Community Power, each of which will purchase 7 MW (for a total of 14 MW) of power. Construction and drilling are ongoing and equipment delivery started. We expect commercial operation at the first quarter of 2022.

Wister Solar (California). We are developing a 20MW AC solar PV project on the Wister site in California. We plan to install a Solar PV system and sell the electricity under a PPA with San Diego Gas & Electric. Engineering and procurement are ongoing. Construction commencement delayed to the second quarter of 2021 due to permitting and a PV panels worldwide shortage. We expect the project to be completed in the first half of 2022.

Dixie Meadows (Nevada). We are developing the 12MW Dixie Meadows geothermal power plant in Nevada. Engineering and procurement have commenced. We are planning to sell the electricity generated under the Portfolio SCPPA PPA. Engineering and procurement are ongoing and part of the equipment already shipped. Construction commencement is pending permits that are currently delayed. Commercial operation is expected in the second half of 2022.

Tungsten expansion (Nevada). We are expanding the Tungsten geothermal power plant in Nevada to add an additional 11 MW. We are planning to sell the electricity generated under the Portfolio SCPPA PPA. Construction commenced and equipment delivery is planned for the second and third quarters 2021 and commercial operation is expected in the first half of 2022.

Steamboat Solar (Nevada). We are currently developing a Solar PV power plant adjacent to our geothermal Steamboat complex in Nevada. The project is expected to generate approximately 5 AC MW that will be used for the ancillary needs of the geothermal power plant and will free a similar amount of MW to be sold from the geothermal resource to SCPPA under the portfolio PPA. Engineering and procurement are ongoing. We expect commercial operation in 2022.

*Zunil Upgrade (Guatemala). W*e are expanding the Zunil geothermal power plant in Guatemala to add 5 MW of additional capacity. We are planning to sell the electricity generated under the existing PPA with the local utility, Instituto Nacional de Electrification or “INDE”. Engineering and procurement are ongoing and operation is expected in the first half of 2022.

North Valley (Nevada). We are developing the 25 MW North Valley geothermal power plant in Nevada. The Project was recently released. We are currently in negotiations to secure a long term PPA. Engineering and procurement are ongoing. Commercial operation is expected at the end of 2022

In addition, we are in the process of repowering Ormesa and Steamboat 2 and 3. In the Energy Storage segment, we are in the process of constructing several facilities as detailed below:

Project Name	Size	Location	Customer	Expected COD
Tierra Buena	5MW/20MWh	CA	CAISO, RCEA and VCE	Q4 2021
Upton	25MW/25MWh	TX	ERCOT	Q4 2021
Andover	20MW/20MWh	NJ	PJM	Q1 2022
Howell	6.5MW/6.5MWh	NJ	PJM	Q2 2022
Bowling Green	12MW/12MWh	OH	PJM	Q3 2022
Pomona 2	20MW/40MWh	CA	PG&E and CAISO	Q3 2022

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The following is an overview of projects that are in initial stages of construction:

Carson Lake Project. We plan to develop between 10 MW to 15 MW at the Carson Lake project on BLM leases located in Churchill County, Nevada. We signed a Small Generator Interconnection Agreement with NV Energy in December 2017. As of June 30, 2021, we are planning the drilling activity to begin next year.

We have budgeted approximately $558.0 million in capital expenditures for construction of new projects and enhancements to our existing power plants, of which we had invested $248.0 million as of June 30, 2021. We expect to invest approximately $200.0 million in the rest of 2021 and the remaining approximately $110.0 million thereafter.

In addition, we estimate approximately $78.0 million in additional capital expenditures in 2021 to be allocated as follows: (i) approximately $28.0 million for the exploration, drilling and development of new projects and enhancements of existing power plants that are not yet released for full construction; (ii) approximately $20.0 million for maintenance capital expenditures to our operating power plants including drilling at our Puna power plant; (iii) approximately $20.0 million for the construction and development of storage projects; and (iv) approximately $10.0 million for enhancements to our production facilities.

In the aggregate, we estimate our total capital expenditures for the second half of 2021 to be approximately $278.0 million.

Exposure to Market Risks

Based on current conditions, we believe that we have sufficient financial resources to fund our activities and execute our business plans. However, the cost of obtaining financing for our project needs may increase significantly or such financing may be difficult to obtain.

We, like other power plant operators, are exposed to electricity price volatility risk. Our exposure to such market risk is currently limited because many of our long-term PPAs (except for the 25 MW PPA for the Puna Complex and the between 30 MW and 40 MW PPAs in the aggregate for the Heber 2 power plant in the Heber Complex, and the G2 power plant in the Mammoth Complex) have fixed or escalating rate provisions that limit our exposure to changes in electricity prices. Our energy storage projects sell on a "merchant" basis and are exposed to changes in the electricity market prices.

The energy payments under the PPAs of the Heber 2 power plant in the Heber Complex and the G2 power plant in the Mammoth Complex are determined by reference to the relevant power purchaser's Short Run Avoided Cost ("SRAC"). A decline in the price of natural gas will result in a decrease in the incremental cost that the power purchaser avoids by not generating its electrical energy needs from natural gas, or by reducing the price of purchasing its electrical energy needs from natural gas power plants, which in turn will reduce the energy payments that we may charge under the relevant PPA for these power plants. The Puna Complex is currently benefiting from energy prices which are higher than the floor under the 25 MW PPA for the Puna Complex.

As of June 30, 2021, 97.4% of our consolidated long-term debt was fixed rate debt and therefore was not subject to interest rate volatility risk and 2.6% of our long-term debt was floating rate debt, exposing us to interest rate risk in connection therewith. As of June 30, 2021, $37.5 million of our long-term debt remained subject to interest rate risk.

We currently maintain our surplus cash in short-term, interest-bearing bank deposits, money market securities and commercial paper (with a minimum investment grade rating of AA by Standard & Poor's Ratings Services).

Our cash equivalents are subject to interest rate risk. Fixed rate securities may have their market value adversely impacted by a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. As a result of these factors, our future investment income may fall short of expectations because of changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value because of changes in interest rates. As of June 30, 2021, our investment in marketable securities was subject to such risk.

We are also exposed to foreign currency exchange risk, in particular the fluctuation of the U.S. dollar versus the NIS in Israel and the Euro. Risks attributable to fluctuations in currency exchange rates can arise when we or any of our foreign subsidiaries borrow funds or incur operating or other expenses in one type of currency but receive revenues in another. In such cases, an adverse change in exchange rates can reduce such subsidiary's ability to meet its debt service obligations, reduce the amount of cash and income we receive from such foreign subsidiary, or increase such subsidiary's overall expenses. In Kenya, the tax asset is recorded in Kenyan Shillings ("KES") similar to the tax liability, however any change in the exchange rate in the KES versus the USD has an impact on our financial results. Risks attributable to fluctuations in foreign currency exchange rates can also arise when the currency denomination of a particular contract is not the U.S. dollar. Substantially all of our PPAs in the international markets are either U.S. dollar-denominated or linked to the U.S. dollar except for our operations on Guadeloupe, where we own and operate the Boulliante power plant which sells its power under a Euro-denominated PPA with Électricité de France S.A. Our construction contracts from time to time contemplate costs which are incurred in local currencies. The way we often mitigate such risk is to receive part of the proceeds from the contract in the currency in which the expenses are incurred. Currently, we have forward and cross-currency swap contracts in place to reduce our NIS/USD currency exposure and expect to continue to use currency exchange and other derivative instruments to the extent we deem such instruments to be the appropriate tool for managing such exposure.

On July 1, 2020, we concluded an auction tender and accepted subscriptions for senior unsecured bonds comprised of NIS 1.0 billion aggregate principal amount (the "Senior Unsecured Bonds - Series 4"). The Senior Unsecured Bonds - Series 4 were issued in New Israeli Shekels and converted to approximately $290 million using a cross-currency swap transaction shortly after the completion of such issuance.

We performed a sensitivity analysis on the fair values of our long-term debt obligations, and foreign currency exchange forward contracts. The foreign currency exchange forward contracts listed below principally relate to trading activities. The sensitivity analysis involved increasing and decreasing forward rates at June 30, 2021 and December 31, 2020 by a hypothetical 10% and calculating the resulting change in the fair values.

At this time, the development of our strategic plan has not exposed us to any additional market risk. However, as the implementation of the plan progresses, we may be exposed to additional or different market risks.

The results of the sensitivity analysis calculations as of June 30, 2021 and December 31, 2020 are presented below:

	Assuming a 10% Increase in Rates		Assuming a 10% Decrease in Rates		
Risk	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	Change in the Fair Value of
	(Dollars in thousands)				
Foreign Currency	$ (3,360)	$ (1,996)	$ 4,107	$ 2,439	Foreign currency forward contracts
Interest Rate	(3,137)	(3,025)	3,212	3,090	OFC 2 Senior Secured Notes
Interest Rate	(3,075)	(3,193)	3,155	3,273	Olkaria III Loan - DFC Loan
Interest Rate	(4,052)	(4,278)	4,098	4,313	Senior Unsecured Bonds
Interest Rate	(498)	(586)	508	599	DEG 2 Loan
Interest Rate	(1,326)	(1,266)	1,365	1,299	DAC 1 Senior Secured Notes
Interest Rate	(263)	(311)	269	318	Amatitlan Loan
Interest Rate.	(3,250)	(3,194)	3,329	3,270	Migdal Loan, the Additional Migdal Loan and the Second Addendum Migdal Loan
Interest Rate	(964)	(941)	1,012	983	San Emidio Loan
Interest Rate	(534)	(444)	544	450	DOE Loan
Interest Rate	(134)	(151)	135	153	Idaho Holdings Loan
Interest Rate	(2,125)	(2,146)	2,192	2,209	Platanares DFC Loan
Interest Rate	(386)	(452)	393	461	DEG 3 Loan
Interest Rate	(146)	(179)	148	181	Plumstriker Loan
Interest Rate	(91)	(107)	92	108	Other long-term loans

In July 2019, the United Kingdom's Financial Conduct Authority, which regulates LIBOR (London Interbank Offered Rate), announced that it intends to phase out LIBOR by the end of 2021. It is unclear whether or not LIBOR will cease to exist at that time and/or whether new methods of calculating LIBOR will be established such that it will continue to exist after 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with a new SOFR (Secured Overnight Financing Rate) index calculated by short-term repurchase agreements, backed by Treasury securities.

We have evaluated the impact of the transition from LIBOR, and currently believe that the transition will not have a material impact on our consolidated financial statements.

Effect of Inflation

We expect that inflation will not be a significant risk in the near term, given the current global economic conditions, however, we recently experienced an increase in raw material cost which may put pressure on our operating margins in the Product segment and increase our cost to build our own power plants. To address the possibility of rising inflation, some of our contracts include certain provisions that mitigate inflation risk.

In connection with the Electricity segment, none of our U.S. PPAs, including the SCPPA Portfolio PPA, are directly linked to the Consumer Price Index ("CPI"). Inflation may directly impact an expense we incur for the operation of our projects, thereby increasing our overall operating costs and reducing our profit and gross margin. The negative impact of inflation would be partially offset by price adjustments built into some of our PPAs that could be triggered upon such occurrences. The energy payments pursuant to our PPAs for some of our power plants such as the Brady power plant, the Steamboat 2 and 3 power plants and the McGinness Complex increase every year through the end of the relevant terms of such agreements, although such increases are not directly linked to the CPI or any other inflationary index. Lease payments are generally fixed, while royalty payments are generally calculated as a percentage of revenues and therefore are not significantly impacted by inflation. In our Product segment, inflation may directly impact fixed and variable costs incurred in the construction of our power plants, thereby increasing our operating costs in the Product segment. We are more likely to be able to offset all or part of this inflationary impact through our project pricing. With respect to power plants that we build for our own electricity production, inflationary pricing may impact our operating costs which may be partially offset in the pricing of the new long-term PPAs that we negotiate.

Concentration of Credit Risk

Our credit risk is currently concentrated with the following major customers: Sierra Pacific Power Company and Nevada Power Company (subsidiaries of NV Energy), SCPPA and KPLC. If any of these electric utilities fail to make payments under its PPAs with us, such failure would have a material adverse impact on our financial condition. Also, by implementing our multi-year strategic plan we may be exposed, by expanding our customer base, to different credit profile customers than our current customers.

The Company's revenues from its primary customers as a percentage of total revenues are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Sierra Pacific Power Company and Nevada Power Company	19.5%	17.2%	20.3%	18.3%
Southern California Public Power Authority (“SCPPA”)	25.5%	20.3%	25.2%	19.5%
Kenya Power and Lighting Co. Ltd. ("KPLC")	17.3%	16.0%	16.4%	15.7%

We have historically been able to collect on substantially all of our receivable balances. As of June 30, 2021, the amount overdue from KPLC in Kenya was $43.5 million of which $13.2 million was paid during July 2021. These amounts represent an average of 77.2 days overdue. In Honduras, as of June 30, 2021, the total amount overdue from ENEE was $7.4 million, none of which was received in July 2021. In addition, due to continuing restrictive measures related to the COVID-19 pandemic in Honduras, the Company may experience additional delays in collection. The Company believes it will be able to collect all past due amounts in Honduras.

Government Grants and Tax Benefits

A comprehensive discussion on government grants and tax benefits is included in our 2020 Annual Report. There have been no material changes to this section during the six months ended June 30, 2021.

ITEM 3. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

The information appearing under the headings "Exposure to Market Risks" and "Concentration of Credit Risk" in Part I, Item 2 of this quarterly report on Form 10-Q is incorporated by reference herein.

ITEM 4. ***CONTROLS AND PROCEDURES***

a. Evaluation of disclosure controls and procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our CEO (principal executive officer) and CFO (principal financial officer), as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(e), we carried out an evaluation, under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of our disclosure controls and procedures as of June 30, 2021. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2021 to provide the reasonable assurance described above.

b. Changes in internal control over financial reporting

There were no changes in our internal controls over financial reporting in the second quarter of 2021 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. *LEGAL PROCEEDINGS*

The information required with respect to this item can be found under "Commitments and Contingencies" in Note 10 of notes to the unaudited condensed consolidated financial statements contained in this quarterly report and is incorporated by reference into this Item 1.

ITEM 1A. *RISK FACTORS*

A comprehensive discussion of our other risk factors is included in the "Risk Factors" section of our annual report on Form 10-K for the year ended December 31, 2020 which was filed with the SEC on February 26, 2021. The risks described in our Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 2. *UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS*

None.

ITEM 3. *DEFAULTS UPON SENIOR SECURITIES*

None.

ITEM 4. *MINE SAFETY DISCLOSURES*

None.

ITEM 5. *OTHER INFORMATION*

None.

ITEM 6. EXHIBITS

We hereby file, as exhibits to this quarterly report, those exhibits listed on the Exhibit Index below.

EXHIBIT INDEX

Exhibit No.	Document
10.1*	Agreement for Purchase of Membership Interests by and between TG Geothermal Portfolio, LLC and Deer Holdings, LLC, dated as of May 2, 2021
31.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
101.SC*	Inline XBRL Taxonomy Extension Schema Document.
101.CA*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DE*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LA*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PR*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ORMAT TECHNOLOGIES, INC.

By: /s/ ASSAF GINZBURG
Name: Assaf Ginzburg
Title: Chief Financial Officer

Date: August 5, 2021

Exhibit 10.1

AGREEMENT FOR PURCHASE OF MEMBERSHIP INTERESTS

by and between

TG GEOTHERMAL PORTFOLIO, LLC,

and

DEER HOLDINGS, LLC,

Dated as of May 21, 2021

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Exhibit B Form of Purchaser Parent Guaranty
Exhibit C Net Working Capital Methodology
Exhibit D Form of Termination and Release Agreement
Exhibit E Form of Assignment and Assumption of Membership Interests
Exhibit F Project Site
Exhibit G Form of Assignment of Agreement Regarding Future Development

AGREEMENT FOR PURCHASE OF MEMBERSHIP INTERESTS

This Agreement for Purchase of Membership Interests (this "Agreement") is made and entered into as of May 21, 2021 (the "Effective Date") by and between Deer Holdings, LLC, a Delaware limited liability company ("Purchaser"), and TG Geothermal Portfolio, LLC, a Delaware limited liability company ("Seller").

RECITALS

WHEREAS, as of the Effective Date, Terra-Gen Power Holdings II, LLC, a Delaware limited liability company ("Seller Parent") indirectly owns:

1. one hundred percent (100%) of the outstanding membership interests (the "Dixie Holdings Interests") in Terra-Gen Sierra Holdings, LLC ("Dixie Holdings"), which owns one hundred percent (100%) of the outstanding membership interests (the "Dixie Project Company Interests") in Terra-Gen Dixie Valley, LLC (the "Dixie Project Company"), which owns the nominal 70.9 megawatt Dixie Valley geothermal facility located in Churchill County, Nevada, and a 220-mile-long 230 kilovolt transmission line with grid interconnection in Bishop, California (the "Dixie Project");

2. one hundred percent (100%) of the outstanding membership interests (the "Dixie Lessor Interests") in Dixie Binary, LLC (the "Dixie Lessor");

3. one hundred percent (100%) of the outstanding membership interests (the "NPH Interests") in Nevada Power Holdings, LLC ("NPH"), which owns one hundred percent (100%) of the outstanding membership interests (the "Beowawe Project Company Interests") in Beowawe Power, LLC (the "Beowawe Project Company"), which owns the nominal 22 megawatt Beowawe geothermal facility located in Lander County, Nevada (the "Beowawe Project");

4. one hundred percent (100%) of the outstanding membership interests (the "Binary Holdings Interests") in Beowawe Binary Holdings, LLC ("Binary Holdings"), which owns one hundred percent (100%) of the outstanding membership interests (the "Beowawe Lessor Interests") in Beowawe Binary, LLC (the "Beowawe Lessor"); and

5. one hundred percent (100%) of the outstanding membership interests (the "Coyote Interests") in TGP Coyote Canyon, LLC (the "Coyote Company"); and

WHEREAS, on or before the Closing Date, Seller Parent will cause the reorganization of the ownership of the Dixie Holdings Interests, the Dixie Lessor Interests, the NPH Interests, the Binary Holdings Interests and the Coyote Interests (collectively, the "Acquired Interests") so that Seller is the direct owner of the Acquired Interests (the "Reorganization"); and

WHEREAS, as a material inducement to the willingness of Purchaser to enter into this Agreement, concurrently herewith, Seller Parent is delivering the Seller Parent Guaranty in the form attached hereto as Exhibit A;

WHEREAS, as a material inducement to the willingness of Seller to enter into this Agreement, concurrently herewith, Ormat Technologies, Inc., a Delaware corporation ("Purchaser Parent"), is delivering the Purchaser Parent Guaranty in the form attached hereto as Exhibit B; and

WHEREAS, pursuant to the terms and conditions of this Agreement, Purchaser desires to purchase from Seller, and Seller desire to sell to Purchaser, the Acquired Interests.

NOW, THEREFORE, in consideration of the respective representations, warranties, covenants and other agreements set forth in this Agreement, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties to this Agreement agree as follows:

AGREEMENT

ARTICLE 1
DEFINED TERMS

1.1 **Defined Terms**. Capitalized terms not otherwise defined in this Agreement have the meanings given such terms in Annex I.

ARTICLE 2
SALE AND PURCHASE OF MEMBERSHIP INTERESTS

2.1 **Agreement to Sell and Buy**. Subject to the terms and conditions of this Agreement, Seller will sell, assign, transfer, convey and deliver to Purchaser, and Purchaser will purchase, assume and acquire, on the Closing Date, the Acquired Interests free and clear of all Liens, other than restrictions under applicable securities laws. The consideration for the Acquired Interests shall be the Purchase Price, payable as provided herein.

2.2 **Purchase Price**.

(a) Closing Date Payment; Adjustments.

(i) Upon the terms and subject to the conditions hereinafter set forth, in consideration of the delivery by Seller of the Acquired Interests, at the Closing, Purchaser shall pay to Seller an amount equal to the Base Purchase Price, *plus* the Estimated Aggregate Net Working Capital Adjustment Amount (the "Closing Purchase Price").

(ii) The Parties agree that for U.S. federal income Tax purposes (and to the extent permitted by Applicable Law, for state, local and all other Tax purposes): (A) the purchase of the Acquired Interests (other than the Lessor Interests) under this Agreement is the purchase of an entity disregarded as separate from its owners, and, accordingly, treated as the purchase of the assets of the Acquired Companies; and (B) the purchase of the Lessor Interests under this Agreement is treated as a purchase of shares in a corporation, and the Parties further agree to report the transactions contemplated hereby consistently with the foregoing.

(b) Net Working Capital and Net Working Capital Adjustment.

(i) At least five (5) Business Days prior to the scheduled Closing Date, Seller will prepare and deliver to Purchaser a worksheet (the "Estimated Adjustment Certificate") setting forth Seller's good faith estimate of the Aggregate Net Working Capital Amount as of the Closing Date (the "Estimated Aggregate Net Working Capital Amount") and resulting calculation of the Estimated Aggregate Net Working Capital Adjustment Amount, as well as computations thereof (which Estimated Adjustment Certificate and computations shall be prepared (A) in accordance with GAAP, (B) utilizing the same accounting practices of Seller and the Operating Acquired Companies as were utilized in the preparation of the balance sheets included in the Financial Statements as they relate to the amounts to be included in the Estimated Adjustment Certificate (but only to the extent such accounting practices are in accordance with GAAP) and (C) in the same format and on the same basis as set forth on Exhibit C), together with a reasonably detailed explanation of, and documentation reasonably sufficient to confirm the accuracy of the computation of, such Estimated Aggregate Net Working Capital Amount and Estimated Aggregate Net Working Capital Adjustment Amount. In the case of any conflict or inconsistency between methodologies, principles and adjustments, the methodologies, principles and adjustments utilized on Exhibit C shall apply and control. Purchaser shall have reasonable access to the books and records and personnel of Seller, the Operating Acquired Companies and their respective Representatives and the opportunity to consult with such personnel for purposes of confirming or disputing the Estimated Aggregate Net Working Capital Amount and Estimated Aggregate Net Working Capital Adjustment Amount. If Purchaser shall disagree in good faith with any item set forth in the Estimated Adjustment Certificate, then Purchaser and Seller shall work in good faith to reach agreement on such disputed items and the amounts as agreed to by Purchaser and Seller shall constitute the Estimated Aggregate Net Working Capital Amount. If Seller and Purchaser cannot agree on the Estimated Adjustment Certificate, then the amount of the Estimated Aggregate Net Working Capital Adjustment Amount set forth in the Estimated Adjustment Certificate shall be used to determine the Closing Purchase Price; provided, however, that in such situation, Purchaser shall reserve the right to take a different position with respect to any item set forth in the Closing Adjustment Certificate.

(ii) Within sixty (60) days after the Closing Date, Purchaser will prepare (at Purchaser's expense) and deliver to Seller a worksheet (the "Closing Adjustment Certificate") setting forth Purchaser's good faith computation of the actual Aggregate Net Working Capital Amount as of the Closing Date (the "Proposed Aggregate Net Working Capital Amount"), which Closing Adjustment Certificate and computation shall be prepared in the same format and on the same basis used to prepare the Estimated Adjustment Certificate and compute the Estimated Aggregate Net Working Capital Amount and Estimated Aggregate Net Working Capital Adjustment Amount, together with a reasonably detailed explanation of, and documentation reasonably sufficient to confirm the accuracy of the computation of, such Proposed Aggregate Net Working Capital Amount. If within thirty (30) days following delivery of the Closing Adjustment Certificate and such supporting documentation, Seller does not object in writing thereto to Purchaser, then the Proposed Aggregate Net Working Capital Amount shall constitute the final Aggregate Net Working Capital Amount as of the Closing Date for purposes of this Agreement (the "Final Aggregate Net Working Capital Amount"). If, within thirty (30) days following delivery of the Closing Adjustment Certificate and such supporting documentation, Seller objects in writing thereto to Purchaser (describing in reasonable detail the specific line items and values that are in dispute and the reasons for such dispute, and proposing alternative values with respect to such specific line items), such Proposed Aggregate Net Working Capital Amount shall be subject to the objection and resolution provisions set forth in Section 2.2(b)(v) below.

(iii) If the Proposed Aggregate Net Working Capital Amount is not prepared and delivered by Purchaser within the sixty (60)-day period set forth in Section 2.2(b)(ii) above, Seller shall be entitled (but not obligated) during the thirty (30) day period commencing on the sixty-first (61st) day after the Closing Date to prepare (at Seller's expense) and deliver to Purchaser the Closing Adjustment Certificate setting forth Seller's good faith computation of the Proposed Aggregate Net Working Capital Amount, which Closing Adjustment Certificate and computation shall be prepared in the same format and on the same basis used to prepare the Estimated Adjustment Certificate and compute the Estimated Aggregate Net Working Capital Amount and Estimated Aggregate Net Working Capital Adjustment Amount, together with a reasonably detailed explanation of, and documentation reasonably sufficient to confirm the accuracy of the computation of, such Proposed Aggregate Net Working Capital Amount. If within seven (7) days following delivery of the Closing Adjustment Certificate and such supporting documentation, Purchaser does not object in writing thereto to Seller, then the Proposed Aggregate Net Working Capital Amount submitted by Seller pursuant to this Section 2.2(b)(iii) shall constitute the Final Aggregate Net Working Capital Amount. If, within seven (7) days following delivery of the Closing Adjustment Certificate and such supporting documentation, Purchaser objects in writing thereto to Seller (describing in reasonable detail the specific line items and values that are in dispute and the reasons for such dispute, and proposing alternative values with respect to such specific line items), such Proposed Aggregate Net Working Capital Amount shall be subject to the objection and resolution provisions set forth in Section 2.2(b)(v) below.

(iv) If neither Purchaser nor Seller prepares and timely delivers a Closing Adjustment Certificate in accordance with Section 2.2(b)(ii) or Section 2.2(b)(iii) above, the Estimated Aggregate Net Working Capital Amount set forth in the Estimated Adjustment Certificate delivered pursuant to Section 2.2(b)(i) shall become the Final Aggregate Net Working Capital Amount for all purposes hereunder.

(v) If Seller timely objects to Purchaser's Closing Adjustment Statement (or any line item therein) or computation of the Proposed Aggregate Net Working Capital Amount pursuant to Section 2.2(b)(ii) or if Purchaser timely objects to Seller's Closing Adjustment Statement (or any line item therein) or computation of the Proposed Aggregate Net Working Capital Amount pursuant to Section 2.2(b)(iii), then Purchaser and Seller shall negotiate in good faith and attempt to resolve the particular items and values that are identified as being in dispute (each, a "Disputed Item") in the applicable written notice of objection over a ten (10)-day period commencing on delivery of written notice of objection pursuant to Section 2.2(b)(ii) or Section 2.2(b)(iii), as the case may be. The Parties shall be deemed to have agreed upon all calculations, line items and values set forth in the Closing Adjustment Statement that are not disputed by Purchaser or Seller, as the case may be, in such notice of objection. Should such negotiations not result in an agreement as to the Final Aggregate Net Working Capital Amount within such ten (10)-day period (or such longer period as Purchaser and Seller may mutually agree), then either Party may submit any remaining Disputed Items that were set forth in the applicable notice of objection to the Neutral Auditor. Each Party agrees to promptly execute a reasonable engagement letter, if requested to do so by the Neutral Auditor. Purchaser and Seller, and their respective Representatives, shall cooperate fully with the Neutral Auditor. The Neutral Auditor, acting as an expert and not an arbitrator, shall be directed to, as promptly as practicable, but in any event within thirty (30) days after being retained, make a determination as to each Disputed Item and the value to be ascribed thereto, and using those values (together with all other values set forth in the Closing Adjustment Statement that were not submitted to the Neutral Auditor) determine the Final Aggregate Net Working Capital Amount. The Parties hereby agree that the Neutral Auditor shall make determinations solely with respect to the Disputed Items submitted to it, and the Neutral Auditor's determination with respect to any Disputed Item must be within the range of values assigned to each such Disputed Item in the applicable Closing Adjustment Statement and the notice of objection, respectively. All fees and expenses relating to the work, if any, to be performed by the Neutral Auditor will be borne equally by Purchaser and Seller. The Neutral Auditor shall be directed to deliver to Purchaser and Seller, as promptly as practicable after making its final determination with respect to all Disputed Items submitted to it, an updated Closing Adjustment Statement reflecting the Neutral Auditor's final determination of the Final Aggregate Net Working Capital Amount (such determination to be made consistent with this Section 2.2(b)(v) and include all material calculations used in arriving at such determination which shall be based solely on information provided to the Neutral Auditor by Purchaser and Seller), which Closing Adjustment Statement and final determination will be final, binding and conclusive on the Parties and their respective Affiliates and Representatives, successors and assigns. Notwithstanding anything herein to the contrary, the dispute resolution mechanism contained in this Section 2.2(b)(v) shall be the exclusive mechanism for resolving disputes, if any, regarding the Aggregate Net Working Capital Amount.

(vi) The "Post-Closing Aggregate Net Working Capital Adjustment Amount" shall be the amount equal to (A) the Final Aggregate Net Working Capital Amount, *minus* (B) the Target Aggregate Net Working Capital Amount. If the Post-Closing Aggregate Net Working Capital Adjustment Amount is greater than the Estimated Aggregate Net Working Capital Adjustment Amount, then Purchaser shall pay in cash to Seller the amount of such difference. If the Post-Closing Aggregate Net Working Capital Adjustment Amount is less than the Estimated Aggregate Net Working Capital Adjustment Amount, then Seller shall pay in cash to Purchaser the amount equal to the absolute value of such difference. Any payment in respect of the Final Aggregate Net Working Capital Amount pursuant to this Section 2.2(b)(vi) will be due and payable within ten (10) days after the Final Aggregate Net Working Capital Amount is finally determined as provided in this Section 2.2(b) and will be payable by wire transfer of immediately available funds to such account or accounts as shall be specified by Purchaser or Seller, as applicable. Any payments made pursuant to this Section 2.2(b)(vi) shall be treated as an adjustment to the Purchase Price by the Parties for Tax purposes, unless otherwise required by Applicable Law.

(vii) Following the Closing, Seller and Purchaser shall cooperate and provide each other, and if applicable the Neutral Auditor, and their respective Representatives, reasonable assistance and access to such books, records and employees (including those of the Operating Acquired Companies) as are reasonably requested in connection with the matters addressed in this Section 2.2(b). Consistent with the foregoing, if Purchaser prepares the Closing Adjustment Certificate in accordance with Section 2.2(b)(ii), Purchaser shall, at Seller's expense, provide or provide reasonable access (in a manner not unreasonably disruptive to its business) to Seller or the Neutral Auditor to review the books and records, documents and work papers related to the preparation of the Closing Adjustment Certificate and computation of the Final Aggregate Net Working Capital Amount, and if Seller prepares the worksheet in accordance with Section 2.2(b)(iii), then Seller shall, at Purchaser's expense, provide or provide reasonable access (in a manner not unreasonably disruptive to its business) to Purchaser or the Neutral Auditor to review the books and records, documents and work papers related to the preparation of the Closing Adjustment Certificate and computation of the Final Aggregate Net Working Capital Amount. If Purchaser prepares the Closing Adjustment Certificate in accordance with Section 2.2(b)(ii), Seller and the Neutral Auditor shall be entitled to make reasonable inquiries and information requests of Purchaser regarding the Closing Adjustment Certificate and the computation of the Final Aggregate Net Working Capital Amount and the calculations set forth therein, and if Seller prepares the Closing Adjustment Certificate in accordance with Section 2.2(b)(iii), Purchaser and the Neutral Auditor shall be entitled to make reasonable inquiries and information requests of Seller regarding the Closing Adjustment Certificate and the computation of the Final Aggregate Net Working Capital Amount and the calculations set forth therein.

2.3 **Post-Closing Adjustments**. After the Closing, the Parties shall make the post-Closing adjustments to the Closing Purchase Price, as applicable, set forth in Section 2.2(b) (as so adjusted, the "Purchase Price").

2.4 **Closing**. The closing of the purchase and sale of the Acquired Interests (the "Closing") will take place (a) at the offices of Reed Smith LLP in New York City (or remotely by the electronic exchange of Closing deliveries) at 10:00 a.m. (eastern time) on the second (2nd) Business Day after the date on which all of the conditions in Sections 2.5 and 2.6 have either been satisfied or validly waived (other than those to be satisfied at Closing, but subject to the satisfaction or valid waiver thereof), or (b) at such other place and time as Purchaser and Seller may agree in writing (such date and time as determined under clause (a) or (b), the "Closing Date"). Each of the documents to be delivered pursuant to Sections 2.5 and 2.6 shall be deemed to be delivered simultaneously. The Closing shall be effective for all purposes at 12:01 a.m. (eastern time) on the Closing Date.

2.5 **Conditions Precedent to the Obligations of Purchaser at the Closing**. The obligation of Purchaser to consummate the Closing will be subject to the satisfaction, on or before the Closing Date, of each of the following conditions (any or all of which may be waived in whole or in part by Purchaser in writing):

(a) The Membership Interest Assignment Agreement shall have been duly executed by Seller and delivered to Purchaser.

(b) (i) The representations and warranties of Seller in Section 3.1 other than the Fundamental Representations shall be true and correct (disregarding any qualifications therein as to materiality or Material Adverse Effect) when made and as of the Closing Date as if made at and as of the Closing Date (other than those representations and warranties which speak to a specific date, the truth and correctness of which shall be measured as of such specific date), except to the extent that the failure of the representations and warranties of Seller in Section 3.1 other than the Fundamental Representations to be so true and correct would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, (ii) the Fundamental Representations of Seller in Section 3.1 shall be true and correct in all respects when made and as of the Closing Date as if made at and as of the Closing Date, and (iii) Seller shall have performed and complied in all material respects with the covenants and agreements hereunder required to be performed and complied with by Seller prior to the Closing.

(c) All Seller Consents shall have been obtained or made in form and substance reasonably satisfactory to Purchaser; and any applicable waiting periods (and any extensions thereof) shall have expired or been terminated, including the waiting period under the HSR Act.

(d) No Action shall be pending before, or threatened in writing by, any Governmental Authority seeking (i) to prevent consummation of any of the transactions contemplated by this Agreement or any of the other Transaction Documents, (ii) to impose any limitation on the right of Purchaser to own the Acquired Interests or to control any Acquired Company, or (iii) to restrain or prohibit Purchaser's ownership or operation (or that of its Affiliates) of all or any portion of the business or Assets of any Acquired Company, or compel Purchaser or any of its Affiliates to divest, license, dispose of or hold separate (through the establishment of a trust or otherwise) all or any portion of the business or Assets of any Acquired Company or of Purchaser and its Affiliates, in each case, due solely to the consummation of the transactions contemplated by this Agreement, and no Order having the effect of (i), (ii) or (iii) shall be in effect; provided, that notwithstanding the foregoing, Purchaser shall not be entitled to rely on this Section 2.5(d) as a condition to its obligations to consummate the Closing if Purchaser has not complied in all material respects with its covenants and agreements in Section 4.4.

(e) Seller shall have delivered or caused to be delivered the following to Purchaser, at Seller's cost:

(i) An officer's certificate dated as of the Closing Date of an authorized officer of Seller certifying as to the satisfaction of the conditions set forth in Section 2.5(b).

(ii) An affidavit of non-foreign status that complies with Section 1445 of the Code.

(iii) Written resignations of all directors, managers and officers of each Acquired Company.

(iv) The Termination and Release Agreement set forth as Exhibit D hereto (the "Affiliate Release"), duly executed by Seller and TGOC.

(v) A certificate of an authorized officer of Seller dated as of the Closing Date and certifying: (A) that attached thereto are true and complete copies of: (1) the certificates of formation and limited liability company agreements for each Acquired Company, which limited liability company agreements shall reflect the completion of the Reorganization; (B) certificates of good standing with respect to the Acquired Companies as of a recent date, issued by the Secretary of State of Delaware; (C) all resolutions adopted by Seller authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents to which Seller is or will be a party and the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are the only resolutions adopted in connection with the such transactions; and (D) to the incumbency and specimen signature of each officer of Seller executing this Agreement or any Transaction Document to be executed by Seller at or prior to the Closing.

(vi) The Support Obligation Termination Documentation, executed by Seller and its Affiliates, as necessary.

(vii) The Assignment of Agreement Regarding Future Development, executed by Terra-Gen, LLC.

(viii) The books and records of the Acquired Companies that are not in the possession of the Acquired Companies as of the Closing Date.

(ix) A copy of the VDR as of five (5) Business Days prior to the Closing Date on a CD-ROM, DVD, flash drive or other electronic storage medium reasonably acceptable to Purchaser.

2.6 Conditions Precedent to the Obligations of Seller at the Closing. The obligations of Seller to consummate the Closing will be subject to the satisfaction, at or before the Closing Date, of each of the following conditions (any or all of which may be waived in whole or in part by Seller in writing):

(a) The Membership Interest Assignment Agreement shall have been duly executed by Purchaser and delivered to Seller.

(b) Purchaser shall have made the payment as set forth in Section 2.2(a).

(c) (i) The representations and warranties of Purchaser in Section 3.2 other than the Fundamental Representations shall be true and correct (disregarding any qualifications therein as to materiality or material adverse effect) when made and as of the Closing Date as if made at and as of the Closing Date (other than those representations and warranties which speak to a specific date, the truth and correctness of which shall be measured as of such specific date), except to the extent that the failure of the representations and warranties of Purchaser in Section 3.2 other than the Fundamental Representations to be so true and correct would not, individually or in the aggregate, be reasonably expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement and the other Transaction Documents to which Purchaser is (or will at Closing be) a party, (ii) the Fundamental Representations of Purchaser in Section 3.2 shall be true and correct in all respects when made and as of the Closing Date as if made at and as of the Closing Date, and (iii) Purchaser shall have performed and complied in all material respects with the covenants and agreements hereunder required to be performed and complied with by it prior to the Closing.

(d) All Purchaser Consents shall have been obtained or made in form and substance reasonably satisfactory to Seller; and any applicable waiting periods (and any extensions thereof) shall have expired or been terminated, including under the HSR Act.

(e) No Action shall be pending or threatened in writing by any Governmental Authority seeking to prevent consummation of any of the transactions contemplated by this Agreement or any of the other Transaction Documents.

(f) Purchaser shall have delivered the following to Seller:

(i) An officer's certificate dated as of the Closing Date of an authorized officer of Purchaser certifying as to the satisfaction of the conditions set forth in Section 2.6(c).

(ii) A certificate of an authorized officer of Purchaser dated as of the Closing Date and certifying: (A) that attached thereto are true and complete copies of all resolutions adopted by Purchaser authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents to which Purchaser is or will be a party and the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are the only resolutions adopted in connection with such transactions; and (B) to the incumbency and specimen signature of each officer of Purchaser executing this Agreement or any Transaction Document to be executed by Purchaser at or prior to the Closing.

(iii) A certificate of good standing with respect to Purchaser as of a recent date, issued by the Secretary of State of Delaware.

(iv) The Affiliate Release, duly executed by Purchaser on behalf of the each Acquired Company.

(v) The Support Obligation Termination Documentation, duly executed by Purchaser and its Affiliates, as necessary.

(vi) The Assignment of Agreement Regarding Future Development, executed by Ormat Nevada Inc.

(vii) Evidence reasonably satisfactory to Seller demonstrating that the R&W Policy continues to be bound and the binder agreement to which the R&W Policy is attached remains in full force and effect with the same effect, and on the same terms and conditions, at Closing as it was on the date of this Agreement in all material respects.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties of Seller**. Seller hereby represents and warrants to Purchaser, as of the Effective Date and on the Closing Date (except for those representations and warranties which speak to a specific date, the truth and correctness of which shall be measured as of such specific date), except as set forth in the applicable sections of the Seller Disclosure Schedules (it being understood and agreed that any disclosure relating to one section or subsection shall also apply to other sections and subsections to the extent that it is reasonably apparent that such disclosure would be relevant to, apply to or qualify such other sections and subsections, notwithstanding the omission of a reference or cross-reference thereto), as follows:

(a) Organization, Good Standing, Etc. Seller and each Acquired Company is a limited liability company duly formed, validly existing and in good standing under the laws of its state of formation. Seller and each Acquired Company has the limited liability company power and authority to own, lease and operate its Assets and to carry on its business. Seller and each Acquired Company is qualified or licensed to do business and is in good standing in each jurisdiction where the character of the Assets owned, leased or operated by it or the nature of its activities makes such qualification or licensure necessary, except in those jurisdictions where the failure to be so qualified, licensed or in good standing would not materially affect its ability to conduct its business or such activities.

(b) Authority, Execution and Delivery and Enforceability.

(i) Seller and each Acquired Company has the limited liability company power and authority to enter into this Agreement and the other Transaction Documents to which it is (or will at Closing be) a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby.

(ii) The execution and delivery by Seller and each Acquired Company of the Transaction Documents to which it is (or will at Closing be) a party, and the consummation by Seller and each Acquired Company of the transactions contemplated thereby, have been duly authorized by all necessary limited liability company action of Seller and each Acquired Company, respectively.

(iii) Seller and each Acquired Company has duly executed and delivered to Purchaser (or will duly execute and deliver to Purchaser) the Transaction Documents to which it is (or will at Closing be) a party and such Transaction Documents constitute, or upon execution and delivery thereof, will constitute, the valid and binding obligations of Seller and each Acquired Company, respectively, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting enforcement of creditors' rights and remedies generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(c) No Conflicts. The execution and delivery by Seller and each Acquired Company of the Transaction Documents to which it is (or will at Closing be) a party do not (or will not), and the performance by Seller and each Acquired Company of its obligations hereunder and thereunder does not (or will not), subject to the making, giving or receipt of the Purchaser Consents, (i) subject to receipt of the Seller Consents violate any Applicable Law, Permit or Order applicable to Seller or such Acquired Company, (ii) conflict with or cause a breach of any provision in the certificate of formation, limited liability company agreement or other organizational document of such Acquired Company, (iii) subject to receipt of the Seller Consents, cause a Default under any Material Contract, (iv) result in the creation of any Lien upon any Asset of any Acquired Company (other than Permitted Liens) or any of the Acquired Interests or (v) except as set forth on Schedule 3.1(c), require any Consent to be made, obtained or given by Seller or any Acquired Company to or from any Person or Governmental Authority.

(d) Absence of Litigation. Other than in respect of Environmental Laws (which are addressed solely in Section 3.1(k)) and Tax matters (which are addressed solely in Section 3.1(g)), except as set forth on Schedule 3.1(d) and any Order of FERC contemplated by the representations and warranties in Section 3.1(t), neither Seller nor any Acquired Company is subject to any outstanding Order, or is, or in the past three (3) years has been, party to any Action or, to the Knowledge of Seller, is threatened with being made a party to any Action, in each case, of, in, or before any Governmental Authority.

(e) Ownership.

(i) As of the Effective Date, Seller Parent indirectly owns one hundred percent (100%) of each Acquired Company, free and clear of all Liens, other than Permitted Equity Liens and restrictions under applicable securities laws, and, subject to obtaining the Seller Consents, has full power and authority to, sell, convey and assign the Acquired Interests;

(ii) As of the Closing Date, Seller will directly own, of record and beneficially, one hundred percent (100%) of the Interests of each of Dixie Holdings, Dixie Lessor, NPH, Binary Holdings and Coyote Company, free and clear of all Liens, other than Permitted Equity Liens and restrictions under applicable securities laws, and will have good and valid title to, and, subject to obtaining the Seller Consents, full power and authority to sell, convey and assign, the Acquired Interests;

(iii) As of the Effective Date and the Closing Date:

1. Dixie Holdings owns of record and beneficially one hundred percent (100%) of the Interests in the Dixie Project Company, free and clear of all Liens, other than Permitted Equity Liens and restrictions under applicable securities laws, and has good and valid title to all of the Interests in the Dixie Project Company;

2. Dixie Holdings owns of record and beneficially one hundred percent (100%) of the Interests in Dixie Lessor, free and clear of all Liens, other than restrictions under applicable securities laws, and has good and valid title to all of the Interests in Dixie Lessor;

3. NPH owns of record and beneficially one hundred percent (100%) of the Interests in the Beowawe Project Company, free and clear of all Liens, other than Permitted Equity Liens and restrictions under applicable securities laws, and has good and valid title to all of the Interests in Beowawe Project Company;

4. Binary Holdings owns of record and beneficially one hundred percent (100%) of the Interests in Beowawe Lessor, free and clear of all Liens, other than Permitted Equity Liens and restrictions under applicable securities laws, and has good and valid title to all of the Interests in Beowawe Lessor.

(iv) With respect to each Acquired Company, there are no outstanding commitments, subscriptions, rights, options, warrants, calls, puts, convertible securities or other Contracts or agreements of any nature obligating Seller or such Acquired Company to issue, deliver or sell, or that are convertible or exchangeable or exercisable for, Interests or other securities in such Acquired Company, and there are no outstanding obligations of Seller or any of Seller's Affiliates, including the Acquired Companies, to repurchase, redeem or otherwise acquire any Interests or other debt securities issued by, or other rights or option in or to any of, the Acquired Companies, except for Permitted Equity Liens. Except for its limited liability company agreement or other organizational documents, no Acquired Company is a party to any voting trust, member or partnership agreement, voting agreement or other right, instrument, proxy or other agreement or understanding with respect to the purchase, sale, issuance, transfer, repurchase, right of first offer or refusal, redemption, subscription, registration or voting (or restriction on voting) of any Interests of any Acquired Company.

(v) None of the Acquired Companies has ever had any Subsidiaries, and does not own, and has never owned, any Interest or other security in any Person (other than an Acquired Company).

(vi) Seller has Made Available true and complete copies of the certificates of formation, limited liability company agreements or equivalent organizational documents of the Acquired Companies as in effect on the Effective Date.

(f) Valid Interests. The Acquired Interests have been duly authorized and validly issued pursuant to Applicable Law and limited liability company agreements or equivalent organizational documents of the applicable Acquired Company and fully paid, and were not issued in violation of any purchase option, call option, right of first refusal, subscription right, preemptive rights or any similar rights of any Person.

(g) Taxes. Each Acquired Company has filed, or has caused to be filed on its behalf, all federal income Tax Returns and all other material Tax Returns required to be filed (after giving effect to any extensions that have been requested by, and granted to, such Person by the applicable Governmental Authority) and has paid, or has caused to be paid on its behalf, all Taxes shown as due on such returns, other than those Taxes that it is contesting in good faith by appropriate proceedings. All such Tax Returns are complete and accurate in all material respects. Each Acquired Company has withheld and timely paid or remitted all material Taxes required to have been withheld and paid or remitted by it. There are no outstanding waivers or extensions of any statute of limitations with respect to any material Tax liability or Tax Return of any Acquired Company. No audit, examination or other administrative proceedings or court proceedings are presently ongoing, pending or have been threatened in writing with regard to any Taxes or Tax Returns on which the income of any Acquired Company is reported. Within the past five (5) years, no written claim has been made by any tax authority in a jurisdiction where any Acquired Company does not file a Tax Return that any Acquired Company is or may be subject to taxation in that jurisdiction. No power of attorney currently in force has been granted with respect to the Taxes or Tax Returns on which the income of any Acquired Company is reported. No Acquired Company is a party to, a beneficiary of or subject to any Tax allocation or sharing agreement, Tax indemnity agreement, agreement for the contribution to any other Person for payment of Taxes of such other Person, or similar agreement or arrangement regarding Taxes (other than Tax indemnity provisions in the Material Contracts). No Acquired Company has any liability for Taxes under Section 1.1502-6 of the Treasury Regulations or any similar provision of state or local law of any other Person, as a transferee or successor, or by Contract. No private letter ruling or determination letter at the federal level or similar guidance at the state or local level has been received by Seller or any Affiliate of Seller in connection with any Project. No request for such guidance is currently pending or has been filed and withdrawn. Seller is validly classified as a disregarded entity for U.S. federal income Tax purposes whose owner is a "United States person" within the meaning of Section 7701(a)(30) of the Code. No elections have been filed with the IRS to treat any Project Company as an association. Each Lessor elected within seventy-five (75) days after formation to be treated as an association. Since formation, each Project Company has been validly classified as a disregarded entity for U.S. federal income Tax purposes. None of the Assets of any Acquired Company or any Project is subject to a Tax Lien other than a Permitted Lien. No private letter ruling will be obtained for the transactions contemplated hereunder from the IRS or any state or local tax authority. There have been no adjustments in the Basic Lease Rent under Section 3.4 of the Facility Leases. The amount shown in Schedule 2 to each Facility Lease as the "Section 467 Loan" balance for the date closest to the Closing Date is the correct aggregate such loan balance for all three Facility Leases as of such date, and the amount shown as the "Section 467 Loan" balance for September 30, 2024 is, as of the Closing Date, the correct aggregate such loan balance for all three Facility Leases as of September 30, 2024. The Operating Acquired Companies have paid all sales taxes that are required to have been paid on the Facility Lease and Binary Lease rents. The representations and warranties in this Section 3.1(g) are the sole and exclusive representations and warranties of the Seller concerning Tax matters. For the avoidance of doubt, other than as expressly represented in this Section 3.1(g), no representation is being made by the Seller about the income tax characteristics of any Project or Project Company, including the Tax subsidies, Tax credits, or depreciation allowances for which any Project or Project Company may qualify.

(h) Financial Statements. Included in Schedule 3.1(h) are true, complete and correct copies of the audited balance sheets of the Dixie Project Company as of December 31, 2020, the unaudited balance sheets of the Dixie Project Company as of March 31, 2021, and the unaudited balance sheets of Dixie Holdings, Dixie Binary, the Beowawe Acquired Companies and Coyote Company as of December 31, 2020 and March 31, 2021, and, in each case, the related income statements, statements of members' equity and statements of cash flows for the period then-ended (collectively, the "Financial Statements"). The Financial Statements (i) were prepared from the books of account and other financial records of the applicable Acquired Companies, (ii) were prepared in accordance with GAAP consistently applied and (iii) present fairly in all material respects the respective financial position, results of operations, members' equity and cash flows of the Acquired Companies as of such date and for the periods covered thereby, subject to normal year-end audit adjustments and the absence of footnotes.

(i) Compliance with Laws. Other than in respect of Environmental Laws (which are addressed solely in Section 3.1(k)) and Tax matters (which are addressed solely in Section 3.1(g)), except as set forth on Schedule 3.1(i), each Operating Acquired Company is, and for the past three (3) years has been, in compliance in all material respects with all Applicable Laws. Neither Seller nor any Acquired Company has received written notice from a Governmental Authority of any, and to Seller's Knowledge, there are no, actual or potential material violations of any Applicable Laws with respect to an Acquired Company or the Projects.

(j) Absence of Certain Changes. Since the date of the Financial Statements, (i) each Acquired Company has conducted its respective business in the ordinary course of business consistent with past practice, (ii) there has not been any change, event, occurrence or development that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect and (iii) no Acquired Company has taken any action which if taken after the Effective Date, would require the approval of Purchaser pursuant to Section 4.1(b).

(k) Environmental Matters. With regard to the Operating Acquired Companies only:

(i) Except as set forth on Schedule 3.1(k)(i), each Operating Acquired Company is, and for the past six (6) years has been, in compliance in all material respects with all Environmental Laws applicable to it.

(ii) Except as set forth on Schedule 3.1(k)(ii), each Operating Acquired Company holds, and is, and for the past six (6) years has been in compliance in all material respects with, all Permits required under Environmental Laws for the operation of the Project Sites as previously and currently operated (the "Environmental Permits").

(iii) Set forth on Schedule 3.1(k)(iii) is a true and complete list of all Environmental Permits, all of which are in full force and effect, and, to the Knowledge of Seller, there are no facts or circumstances (other than the passage of time) that would reasonably be expected to result in the termination, revocation, cancellation, suspension, lapse or adverse modification of any such Environmental Permit. All of the Environmental Permits have been Made Available.

(iv) There are no locations or premises within the Project Sites where Seller has allowed Hazardous Substances into the soil or groundwater or, to Seller's Knowledge, any third-party has allowed Hazardous Substances into the soil or groundwater: (A) in violation of Environmental Laws or (B) in amounts or concentrations that would reasonably be expected to result in a material liability under any Environmental Laws, in each case of clauses (A) and (B), during the period that an Operating Project Company has occupied its Project Site or, to the Knowledge of Seller, at any other time.

(v) Except as set forth on Schedule 3.1(k)(v), neither Seller nor any Operating Acquired Company has received written notice from any Governmental Authority or any other Person of an actual or potential violation of or liability under any Environmental Laws concerning any Operating Acquired Company or the Projects, and the Project Sites are not currently encumbered by any Lien arising or imposed under Environmental Laws.

(vi) All material environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents prepared by Seller or the Operating Acquired Companies within the last five (5) years with respect to the Project Sites which are in the possession of Seller or any Operating Acquired Company or in their reasonable control related to compliance with or Liabilities under Environmental Laws and any and all material documents in their possession or reasonable control concerning material planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control Hazardous Substances or otherwise ensure compliance with current or, to the Knowledge of Seller, future, Environmental Laws have been Made Available.

This Section 3.1(k) constitutes the sole representations of Seller with respect to environmental matters.

(l) Permits. Schedule 3.1(l) contains a true and complete list of all material licenses, consents, certificates (including permanent unconditional certificates of occupancy, if any), approvals, permits, authorizations, registrations, franchises and variances by or from any Governmental Authority ("Permits") which have been issued to the Project Companies (the "Issued Permits"). For the Operating Project Companies: (i) the Issued Permits are the Permits required for each such Operating Project Company to conduct its respective business and operate its Project; (ii) each Issued Permit is validly issued and in full force and effect and is not subject to any current Action (other than routine compliance proceedings or rulemakings and administrative proceedings of general applicability) and, to the Knowledge of Seller, no Action has been threatened which in either case, would reasonably be expected to result in the revocation, cancellation, suspension, lapse, adverse modification or termination of any of the Issued Permits; (iii) such Operating Project Company is in compliance in all material respects with its Issued Permits and all fees and charges with respect to the Issued Permits that are due and payable have been paid in full; (iv) except as set forth on Schedule 3.1(l)(i), neither Seller nor any Operating Acquired Company has received any notification from any Governmental Authority since January 1, 2019 alleging that it is in Default under any Issued Permit; (v) true and complete copies of each of the Issued Permits have been Made Available; and (vi) except as set forth on Schedule 3.1(l)(vi), such Operating Project Company has made all material filings required under Applicable Laws, tariffs and rules with relevant Governmental Authorities, regional transmission organization, independent system operator or regional entity under the North American Electric Reliability Corporation, as designated by FERC, in each case necessary for the construction, operation, ownership and maintenance of its Project.

(m) Insurance. Schedule 3.1(m) contains a true and complete list of all of the insurance policies, binders and fidelity or surety bonds maintained by or on behalf of each Operating Acquired Company or for the benefit of any of their respective Assets or Representatives (including all directors and officers liability insurance policies). (the "Insurance Policies"). All Insurance Policies are in full force and effect and valid, binding and enforceable in accordance with their respective terms. All payments due under the Insurance Policies have been made and such Insurance Policies (or extensions, renewal or replacements thereof with comparable policies) shall be in full force and effect without interruption until the Closing Date. Neither Seller nor the Operating Acquired Companies have received any notice from the insurer under any Insurance Policy disclaiming or disputing coverage, reserving rights with respect to a particular claim or such Insurance Policy in general or cancelling or materially amending any such Insurance Policy (including the amount of premium payable in respect thereof). There are no material pending claims under the Insurance Policies and Seller does not intend to make any such claim that has not yet been filed. No Operating Acquired Company has incurred any material loss that is covered by an Insurance Policy for which the applicable Operating Acquired Company has not properly asserted a claim under such Insurance Policy. All of the Insurance Policies have been Made Available.

(n) Real Property.

(i) The agreements listed on Schedule 3.1(n) are all the material leases, easements, rights of way, licenses, common use agreements or similar agreements under which the Acquired Companies have rights to real property (together with all amendments and modifications thereto, the "Real Property Agreements").

(ii) With regard to the Operating Acquired Companies only:

1. Except as set forth on Schedule 3.1(n)(ii), the Real Property Agreements are in full force and effect and, to Seller's Knowledge, Seller has Made Available complete copies of all Real Property Agreements to the extent in Seller's actual possession. No Operating Acquired Company is in material breach of its obligations with respect to any Real Property that remains uncured as of the date hereof and, to Seller's Knowledge, no counterparty to any Real Property Agreement is in material breach of its obligations with respect to the Real Property Agreement to which it is a party. To Seller's Knowledge, no Operating Acquired Company nor the fee owner counterparty under any Real Property Agreement has given written notice of the exercise of any option or right to cancel or terminate such Real Property Agreement.

2. With respect to the Real Property: (A) to Seller's Knowledge, there are no ongoing condemnation proceedings and no Governmental Authority has threatened to initiate any condemnation proceedings; (B) no Operating Acquired Company nor any Affiliate(s) thereof has granted any options or rights of first refusal to purchase or lease such Real Property, or any portion thereof or interest therein except as may be provided in the Real Property Agreements; (C) except for recipients of non-exclusive rights granted by Governmental Authorities or otherwise granted by owners in fee simple of any Real Property (other than the Operating Acquired Companies), no Person other than the Operating Acquired Companies have been granted the right to use or occupy the Real Property or been granted any licenses, rights of way or easements on any portion thereof; (D) the Operating Acquired Companies are the holders of a good, valid and enforceable title, leasehold interest or easement estate (as applicable) to the Real Property free and clear of all Liens except Permitted Liens; and (E) there are sufficient utilities available to the Real Property as needed for the operation of each Project.

3. None of the Seller, any Operating Acquired Company or any Affiliate(s) thereof owes or will owe any brokerage commissions or finder's fees with respect to any Real Property Agreement or any renewal or extension thereof or the exercise of any right or option thereunder.

(o) Personal Property. Each Operating Acquired Company has good and valid title to, a valid leasehold interest in or a valid and enforceable right to use, all of its respective tangible Assets free and clear of all Liens, except for Permitted Liens. Except as set forth in Schedule 3.1(q)(ii), the Operating Acquired Companies own, lease, license or have valid and enforceable rights to use all of the material Assets that are necessary for the ownership, operation and maintenance of their respective Projects as they are currently owned, operated and maintained. Except as set forth on Schedule 3.1(o), the material tangible Assets of each Operating Acquired Company are in good operating condition and repair, subject to ordinary wear and tear, and are suitable for immediate use in the manner intended in the ordinary course of business, other than, on the Closing Date, any Casualty Loss, and the repairs described on Schedule 4.1.

(p) Liens. All Assets owned by each Acquired Company are free and clear of all Liens, other than Permitted Liens and Permitted Equity Liens.

(q) Material Contracts. Schedule 3.1(q) sets forth a true and complete list of all Material Contracts for the Operating Acquired Companies, and, to Seller's Knowledge, the Coyote Company. With regard to the Material Contracts for the Operating Acquired Companies:

(i) Seller has Made Available true and correct copies of the Material Contracts;

(ii) Except as set forth in Schedule 3.1(q)(ii), each Material Contract is in full force and effect and is the legal, valid and binding obligation of such Operating Acquired Company and, to the Knowledge of Seller, the other parties thereto;

(iii) Seller and each Operating Acquired Company have submitted all required applications and other documentation and taken all other necessary steps, including payment of application fees, required for the renewal or replacement of the Material Contracts listed on Schedule 3.1(q)(ii).

(iv) Except as set forth in Schedule 3.1(q)(iv), each Material Contract is enforceable against such Operating Acquired Company and, to the Knowledge of Seller, the other parties thereto in accordance with its terms, except as enforceability may be limited by applicable bankruptcy and similar Applicable Laws affecting the enforcement of creditors' rights and general equitable principles (regardless of whether enforcement is sought in a proceeding at law or in equity);

(v) None of the Operating Acquired Companies is in Default under any Material Contract and, to Seller's Knowledge, no other party thereto is in Default under any Material Contract;

(vi) To the Knowledge of Seller, except as set forth in Schedule 3.1(q)(vi) no facts or circumstances exist which are likely to give rise to a Default under any Material Contract to which an Operating Acquired Company is a party;

(vii) None of the Operating Acquired Companies has received written notice from any other party to any Material Contract that such party intends to terminate, modify or renegotiate such Material Contract in a manner that is adverse to any Operating Acquired Company and, to the Knowledge of Seller, no such intention on the party of any such party exists.

(r) Employee Matters. To the extent the below representations concern TGOC and/or its employees, such representations are provided to the extent of Seller's Knowledge.

(i) No Acquired Company has nor has it ever had any employees nor has it maintained, sponsored, administered, participated in or had any obligation to contribute to any Benefit Plan. Without limiting the generality of the foregoing, no Acquired Company has or has ever had any liability, contingent, potential or otherwise, under or with respect to any Benefit Plan, including a Multiemployer Plan or Pension Plan, by reason of being treated as a single employer with any current or former ERISA Affiliate. No Assets of any Acquired Company are or reasonably would be expected to be subject to any Lien under the Code or ERISA associated with any plan sponsored or maintained by any ERISA Affiliate or in which such ERISA Affiliate has an obligation to contribute.

(ii) Each Facility Employee and Service Employee has been properly classified for all purposes (including for all Tax, wages and hours, insurance, workers compensation and benefit plan eligibility purposes) as a common law employee of TGOC and not as a common law employee or joint employee of any Acquired Company, and TGOC has withheld and paid all applicable Taxes and made all appropriate filings in connection with services provided by such persons. None of the Acquired Companies, TGOC or any of their Affiliates is a party to any collective bargaining Contract or similar labor agreement regarding collective bargaining or other Contract with or to any labor union or association representing any Facility Employee or Service Employee, nor does any labor union or collective bargaining agent represent any Facility Employee or Service Employee. No Contract regarding collective bargaining has been requested by, or is under discussion between management of any Acquired Company, TGOC or any of their Affiliates (or any management group or association of which any Acquired Company or TGOC is a member or otherwise a participant) and any group of Facility Employees or Service Employees nor are there any representation proceedings or petitions seeking a representation proceeding presently pending against any Acquired Company, TGOC or any of their Affiliates with the National Labor Relations Board or any other labor relations tribunal, nor are there any other current activities, to the Knowledge of Seller, to organize any Facility Employees or Service Employees into a collective bargaining unit. There are no unfair labor practice charges, grievances or complaints pending or, to the Knowledge of Seller, threatened against any Acquired Company, TGOC or any of their Affiliates. During the past three (3) years there has not been any labor strike, slow-down, work stoppage, lock-out, arbitration or other material labor dispute involving any of the Facility Employees or Service Employees, and no such labor strike, slow-down, work stoppage, lock-out, arbitration or other material labor dispute is now pending or, to the Knowledge of Seller, threatened with respect to the Facility Employees or Service Employees.

(iii) To Seller's Knowledge, except as set forth on Schedule 3.1(r)(iii), no Facility Employee is a party to any employment, change of control, retention, severance or other employment-related agreement with TGOC or any of its Affiliates, including any Acquired Company.

(s) Affiliate Transactions; Support Obligations.

(i) There are no Support Obligations other than the Support Obligations set forth on Schedule 3.1(s)(i).

(ii) Except for the Contracts listed on Schedule 3.1(s)(ii) and the Support Obligations, there are no Affiliate Contracts. No Acquired Company has any outstanding debt to any Affiliate thereof (other than to an Acquired Company).

(t) Qualifying Facility and PUHCA Status. Each Operating Project is a Qualifying Facility that uses geothermal resources as its primary energy source and is exempt from the Federal Power Act to the extent set forth in § 292.601(c), including from Section 203 of the Federal Power Act. The Beowawe Project is exempt from Sections 205 and 206 of the Federal Power Act. The Dixie Project Company has obtained MBR Authority, which is in full force and effect. None of the Operating Acquired Companies is subject to, or not exempt from, regulation under the federal access to books and records provisions or the accounts and records provisions of PUHCA. Each Operating Project Company is subject to FERC regulation under PUHCA solely with respect to maintaining Exempt Wholesale Generator status, and as of the Effective Date duly maintains its Exempt Wholesale Generator status.

(u) Business Purpose. No Operating Acquired Company has, since its formation, engaged in any business other than the ownership, development, construction, operation, maintenance and financing of its Project and any activities incidental to the foregoing.

(v) Brokers. No broker, finder, investment banker or other Person is entitled to any brokerage, finder's or other similar fee or commission due to arrangements of Seller or its Affiliates in connection with the transactions contemplated hereunder, for which the Acquired Companies, Purchaser or any of their Affiliates would be responsible.

(w) Liabilities. None of the Operating Acquired Companies has any Liabilities, except for Liabilities: (i) reflected or reserved against in the Financial Statements; (ii) arising under Material Contracts or Issued Permits (other than as a result of a Default thereunder); (iii) that are incurred in the ordinary course of business consistent with past practice since the date of the Financial Statements; (iv) incurred in connection with the transactions contemplated by this Agreement or any other Transaction Document; (v) included in the calculation of Final Aggregate Net Working Capital Amount; or (vi) that are not in excess of $50,000 for any individual Liability or $250,000 for all Liabilities in the aggregate.

(x) Intellectual Property. A true and complete list of all Intellectual Property owned by the Acquired Companies, and all material Intellectual Property used by the Acquired Companies, is set forth on Schedule 3.1(x). The Acquired Companies (i) own free and clear of all Liens (except for Permitted Liens), or have valid rights to use, all Intellectual Property used by the Acquired Companies, (ii) have not received any claims in writing, or to Seller's Knowledge, claims that are not in writing, that any of the Acquired Companies has infringed or misappropriated the Intellectual Property of any other Person, and (iii) are not currently infringing or misappropriating the Intellectual Property of any other Person. To Seller's Knowledge, there is no infringement, misappropriation or such other conflict by any other Person involving any Intellectual Property owned or used by the Acquired Companies. The Acquired Companies employ commercially reasonable procedures regarding data security to protect the confidentiality, integrity and security of their information technology systems and the data stored therein or transmitted thereby against unauthorized use, access, interruption, modification or corruption.

(y) FCPA. No Acquired Company (or any director, officer, agent, employee, consultant of or, to the Seller's Knowledge, other Person associated with or acting on behalf of an Acquired Company) has (i) made, authorized, offered or promised to make any payment or transfer of anything of value, directly, indirectly or through a third party, to any foreign government official, employee or other representative (including employees of a government owned or controlled entity or public international organization and including any political party or candidate for public office), in violation of the United States Foreign Corrupt Practices Act of 1977 (the "FCPA"), or any Applicable Law of similar effect in any jurisdiction to which such Person is subject, or (ii) otherwise taken any specified action which would cause an Acquired Company to be in violation of the FCPA, or any Applicable Law of similar effect in any jurisdiction to which such Person is subject. For the purposes of this Section 3.1(y), specified actions include (x) the making or payment of any illegal contributions, commissions, fees, gifts, entertainment, travel or other unlawful expenses relating to political activity, (y) the direct or indirect payment, gift, offer, promise or authorization to make a payment, gift, offer or promise of, anything of material value to any foreign government representative, and (z) the making of any bribe, illegal payoff, influence payment, kickback or other unlawful payment, using funds of an Acquired Company or otherwise on behalf of an Acquired Company.

(z) Bank Accounts. Schedule 3.1(z) lists all banks, money markets, savings and similar accounts and safe deposit boxes of each Operating Acquired Company, specifying the authorized signatories or persons having access to such accounts or safe deposit boxes.

(aa) Powers of Attorney. Except as set forth on Schedule 3.1(aa), there are no outstanding powers of attorney executed by or on behalf of the Operating Acquired Companies in favor of any Person.

3.2 **Representations and Warranties of Purchaser**. Purchaser represents and warrants to Seller, as of the Effective Date and on the Closing Date (except for those representations and warranties which speak to a specific date, the truth and correctness of which shall be measured as of such specific date), except as set forth in the applicable sections of the Purchaser Disclosure Schedules (it being understood and agreed that any disclosure relating to one section or subsection shall also apply to other sections and subsections to the extent that it is reasonably apparent that such disclosure would be relevant to, apply to or qualify such other sections and subsections, notwithstanding the omission of a reference or cross-reference thereto), as follows:

(a) Organization, Good Standing, Etc. Purchaser is a limited liability company, duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its formation, and has the limited liability company power and authority to own, lease and operate its Assets and to carry on its business as now being conducted.

(b) Authority, Execution and Delivery and Enforceability. Purchaser has the limited liability company power and authority to enter into the Transaction Documents to which it is (or will at Closing be) a party, to perform its obligations thereunder, and to consummate the transactions contemplated thereby. The execution and delivery by Purchaser of the Transaction Documents to which it is (or will at Closing be) a party, and the consummation by Purchaser of the transactions contemplated thereby, have been duly authorized by all necessary limited liability company. Purchaser has duly executed and delivered to Seller (or will duly execute and deliver to Seller) the applicable Transaction Documents to which it is (or will at Closing be) a party, and such Transaction Documents constitute, or upon execution and delivery thereof will constitute, the valid and binding obligations of Purchaser, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting enforcement of creditors' rights and remedies generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(c) No Conflicts. The execution and delivery by Purchaser of this Agreement and the other Transaction Documents to which Purchaser is (or will at Closing be) a party do not, and the performance by Purchaser of its obligations hereunder and thereunder does not (or will not), subject to the making, giving or receipt of the Seller Consents: (i) violate any Applicable Law, (ii) conflict with or cause a breach of any provision in any provision in the certificate of formation, limited liability company agreement or other organizational document of Purchaser, (iii) cause a material Default under any material Contract to which Purchaser is a party or under which it is bound or to which any of its Assets is subject or (iv) except as set forth on Schedule 3.2(c), require any Consent to be made, obtained or given by Purchaser to or from any Person or Governmental Authority. Purchaser qualifies as a "Permitted Transferee" pursuant to that certain Renewable Power Purchase and Sale Agreement between Southern California Edison Company and Terra-Gen Dixie Valley, LLC (f/k/a Caithness Dixie Valley, LLC) (RAP ID 3106), dated as of May 30, 2007, as amended.

(d) Absence of Litigation. Neither Purchaser nor any of its Affiliates is subject to any outstanding Order or, to Purchaser's Knowledge, is threatened with being made a party to any Action of, in, or before any Governmental Authority that would or seeks to enjoin, prohibit or otherwise make illegal the transactions contemplated by the Transaction Documents to which Purchaser is (or will at Closing be) a party or that would reasonably be expected to prevent or materially delay the performance by Purchaser of its obligations under this Agreement and the other Transaction Documents to which Purchaser is (or will at Closing be) a party. To the Knowledge of Purchaser, no event has occurred or circumstances exist that would reasonably be expected to give rise to or serve as a basis for any such Action.

(e) Accredited Investor. Purchaser is an "accredited investor" as such term is defined in Regulation D under the Securities Act. Purchaser understands that the Acquired Interests have not been registered under the Securities Act, and are being transferred in reliance on an exemption therefrom, and that Seller is not under any obligation to register the Acquired Interests or make any filing with any Governmental Authority to obtain an exemption from registration. Purchaser is knowledgeable about and experienced in the industries in which each Project Company operates, specifically including ownership and operation of geothermal generation facilities, and is capable of evaluating the merits and risks of the transactions contemplated by this Agreement. Purchaser is purchasing the Acquired Interests for its own account and not for the account of any other Person and not with a view to distribution or resale to others.

(f) Financing. Prior to Closing, Purchaser shall have sufficient cash, or other sources of immediately available funds to pay in cash, an amount equal to the Purchase Price in accordance with the terms of Article 2 and any other amounts contemplated by this Agreement to be paid at Closing. Purchaser's ability to consummate the transactions contemplated hereby is not contingent on its ability to secure financing or to complete any public or private placement of securities prior to or upon Closing.

(g) Regulatory Status. Purchaser is not a "holding company" under PUHCA or a "public utility" under the FPA. No national or subnational governments of a single foreign state have a substantial interest, as defined in Section 721 of the Defense Production Act of 1950, as amended, including all implementing regulations thereof (the "DPA"), in Purchaser. Neither Purchaser nor any parent or Affiliate company of Purchaser has previously represented to the Committee on Foreign Investment in the United States ("CFIUS") that it is a "foreign person" or "foreign entity" as defined under the DPA, and they have not made representations, statements or communications to CFIUS inconsistent with this Section 3.2(g). Purchaser is an indirect wholly-owned subsidiary of Ormat Technologies, Inc.

(h) Acknowledgement. Purchaser acknowledges that, except with respect to the representations and warranties expressly made by Seller in this Agreement and in the other Transaction Documents, neither Seller nor any Acquired Company has made any other representation or warranty, either express or implied, regarding any Acquired Company, the Projects or the transactions contemplated hereby or thereby, nor has Purchaser relied on any representation or warranty not expressly made in this Agreement or the other Transaction Documents. Except with respect to any representation or warranty expressly set forth in this Agreement or any other Transaction Document, Purchaser specifically acknowledges that no representation or warranty has been made and that Purchaser has not relied on any representation or warranty about the accuracy of any projections, estimates or budgets, future revenues, future results from operations, future cash flows, the future condition of the Projects, any geothermal resource, any Assets of any Acquired Company, the future financial condition of each Acquired Company, or any other information or documents made available to Purchaser or its counsel, accountants or other advisers. Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document, nothing in this Agreement (including this Section 3.2(h)) or any other Transaction Document will limit, restrict or prohibit any claims in respect of Fraud.

(i) Brokers. No broker, finder, investment banker or other Person is entitled to any brokerage, finder's or other similar fee or commission due to arrangements of Purchaser or its Affiliates in connection with the transactions contemplated hereunder, for which Seller or any of its Affiliates would be responsible.

ARTICLE 4
CERTAIN COVENANTS

4.1 Conduct of Operations.

(a) Except (i) as expressly required by this Agreement, (ii) as set forth on Schedule 4.1, (iii) as consented to in writing in advance by Purchaser (not to be unreasonably withheld, conditioned or delayed) or (iv) as required by Applicable Law or the terms of any Material Contract, from the Effective Date through and including the earlier of the termination of this Agreement or the Closing Date (the "Interim Period"), Seller shall cause the Acquired Companies to: (A) conduct the business of the Acquired Companies in the ordinary course of business consistent with past practice; (B) use Commercially Reasonable Efforts to preserve, maintain and protect their respective businesses and Assets, ordinary wear and tear excepted, including by maintaining their business and organization and their relationships with Persons having business dealings with respect to the conduct of their business (including customers, suppliers, service providers and Governmental Authorities); and (C) maintain all Issued Permits.

(b) Except (i) as expressly required by this Agreement (including the Reorganization), (ii) as set forth on Schedule 4.1, (iii) as consented to in writing in advance by Purchaser (not to be unreasonably withheld, conditioned or delayed) or (iii) as required by Applicable Law or the terms of any Material Contract, during the Interim Period, Seller shall not (with respect to the Acquired Companies) and shall cause the Acquired Companies not to:

(i) amend or otherwise change their certificates of formation, limited liability company agreements or equivalent organizational documents;

(ii) authorize for issuance, issue, grant, sell, deliver, dispose of, pledge, encumber or otherwise subject to any Lien any Interests in the Acquired Companies, or any options, warrants, convertible securities or other Rights of any kind to acquire any such Interests or repurchase, redeem or enter into any Contract with respect to the Interests in the Acquired Companies;

(iii) purchase any Interests in or other securities of any corporation, partnership, limited liability company or other business organization, or make any loans, advances or capital contributions to, or investments in, any Person or other business organization (other than (A) any Acquired Company and (B) Permitted Investments (as defined in the Sale Leaseback Documents);

(iv) engage in any new line of business;

(v) fail to maintain the existence of any Acquired Company, merge or consolidate any Acquired Company with any other Person or cause any Acquired Company to acquire all or substantially all of the Assets of any other Person;

(vi) sell, transfer, assign, convey, distribute or otherwise dispose of, or permit or allow the creation or imposition of any Lien (other than Permitted Liens) on, any Assets currently owned by the Acquired Companies having an individual value in excess of $100,000 or an aggregate value in excess of $250,000, other than obsolete Assets, surplus Assets or Assets no longer used or useful in the construction or operation or maintenance of the Projects;

(vii) enter into or adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, division, restructuring, recapitalization or other reorganization of any Acquired Company or any of their respective businesses, or otherwise wind up their business;

(viii) incur, create, assume or otherwise become liable for any indebtedness for borrowed money or issue any debt securities;

(ix) assume, guarantee or otherwise become liable or responsible for any liability of any Person, other than the assumption or guarantee of obligations of the Acquired Companies in the ordinary course of business consistent with past practice;

(x) terminate, fail to comply with in any material respect, materially amend or modify, supplement, grant any material waiver under, or provide any material Consent under, any Material Contract, except as expressly contemplated by this Agreement or any other Transaction Document;

(xi) terminate, assign or materially amend or modify, any Issued Permit;

(xii) enter into any Contract that if in effect on the Effective Date would be a Material Contract;

(xiii) grant or announce any increase in the salaries, bonuses or other compensation or benefits payable by the Acquired Companies to any of their officers, directors, managers, or employees;

(xiv) initiate any Action;

(xv) enter into any voluntary settlement, conciliation or similar agreement with respect to, or otherwise compromise any dispute, claim or Action, that individually or in the aggregate will result in payment by any Acquired Company following Closing unless such payments are funded in full by Seller prior to Closing

(xvi) voluntarily settle, compromise, cancel, forgive, waive or release any other debts, claims or rights of the Acquired Companies;

(xvii) authorize or make capital expenditures, in the aggregate, in excess of $100,000, unless such expenditures are funded in full by Seller prior to Closing;

(xviii) (a) hire any employee or (b) enter into any employment or severance agreement or any agreement providing for any compensation to any employee of Seller or Affiliates thereof (other than any Acquired Company) that is payable by any Acquired Company;

(xix) adopt or contribute to any Benefit Plan;

(xx) make any change in any method of accounting or accounting practice, except as required by GAAP;

(xxi) make any new, change any existing or revoke any election with respect to Taxes, change any method of accounting with respect to Taxes, amend any material Tax Return, file any Tax Return that is prepared on a basis that is materially inconsistent with the elections, accounting methods, conventions and principles of taxation used for the most recent taxable periods for which comparable Tax Returns involving similar Tax items have been filed, enter into any closing agreement with respect to any Tax, surrender any right to claim a refund of a material amount of Taxes, or consent to any extension or waiver of the limitations period applicable to any material Tax claim or assessment;

(xxii) fail to discharge any material liability of any Acquired Company or to make any material payment of any Acquired Company as it comes due except in connection with a good faith dispute;

(xxiii) vary the cash balance or the face amount of any letter of credit posted to satisfy any minimum balance in any reserve account under the Sale Leaseback Documents (including by way of depositing a new letter of credit or amending or modifying existing letters of credit), other than: (A) any increase in the cash balance in such reserve account resulting from the ordinary course application of revenue in accordance with the waterfall under the Master Depositary Agreement (as defined in the Participation Agreement); and (B) any withdrawal of cash or a draw under a letter of credit expressly for the permitted use of such funds from such reserve account under the Sale Leaseback Documents; or

(xxiv) agree or commit to do any of the foregoing.

4.2 Confidentiality.

(a) Each Party has furnished and may continue to furnish to the other Party certain information relating, directly or indirectly, to Purchaser, Seller, the Acquired Companies or the Projects, which is either non-public, confidential or proprietary in nature. Such information, together with all analyses, compilations, data, studies or other documents containing or based in whole or in part on any such furnished information is hereinafter referred to as "Confidential Information." The terms of this Agreement and the other Transaction Documents shall be deemed to be Confidential Information.

(b) Subject to the requirements of Applicable Laws or any Order or stock exchange rule, all Parties hereto hereby agree to (i) treat the Confidential Information as confidential and use the same standard of care in handling such information as they use with respect to their own confidential information, but in no event less than a reasonable standard of care, (ii) prior to Closing, use the Confidential Information solely in connection with the consummation of the transactions contemplated by this Agreement, and (iii) prior to Closing, transmit the Confidential Information only to those Representatives who need to know the Confidential Information; provided that, subject to Section 4.3, each Party may use Confidential Information, to the extent required, in filings, submissions and other correspondence to obtain the Seller Consents and the Purchaser Consents, in each case, as contemplated hereby, so long as such Party obtains the Consent of the Party whose Confidential Information is included therein to the disclosure of such Confidential Information.

(c) All confidentiality, non-disclosure or similar agreements between the Parties and their Affiliates are hereby terminated.

4.3 Access to Information.

(a) During the Interim Period, Seller, on reasonable prior written notice (but in no event less than three (3) Business Days' prior notice) by Purchaser to Seller, will give Purchaser and its Representatives reasonable access during normal business hours to the offices, Assets, books and records of the Acquired Companies and to the extent available, furnish to Purchaser and its Representatives such financial and operating data and other information concerning such Acquired Company as such persons may reasonably request; provided that such access shall only be upon reasonable notice, shall not unreasonably disrupt personnel and operations of the Projects and shall be at Purchaser's sole cost and expense; provided, further, that neither Purchaser, nor any of its Affiliates or its or their respective Representatives shall conduct any environmental site assessment, compliance evaluation or investigation without reasonable ongoing consultation with Seller with respect to any such activity, and in no event shall any subsurface investigation or testing of any environmental media be conducted. All requests for access to the offices, Assets, books and records of the Acquired Companies shall be made to such Representatives of Seller as Seller shall designate, who shall be solely responsible for coordinating all such requests and all access permitted hereunder. It is further agreed that neither Purchaser nor its Representatives may contact and communicate with any of the employees, customers, suppliers, contractors, lenders or other Persons that have business relationships with the Acquired Companies or their Affiliates (or Representatives of any of the foregoing Persons) in connection with the transactions contemplated hereby, without the specific prior written authorization of Seller. Any access to the offices, Assets, books and records of the Acquired Companies shall be subject to the following additional limitations: (i) such access shall not violate any Applicable Law or Contract to which Seller, the Acquired Companies or any of their respective Affiliates is a party or otherwise expose Seller, the Acquired Companies or any of their respective Affiliates to a material risk of liability; (ii) Purchaser shall give Seller notice at least two (2) Business Days before conducting any inspections or communicating with any third party relating to any property of the Acquired Companies, and a Representative of Seller shall have the right to be present when Purchaser or its Representatives conducts its or their investigations on such property; (iii) none of Purchaser, its Affiliates, or its or their respective Representatives shall damage the offices, property, books and records accessed or any portion thereof; and (iv) Purchaser shall: (A) use its Commercially Reasonable Efforts to perform all on-site due diligence reviews and all communications with any Person on an expeditious and efficient basis; and (B) indemnify, defend and hold harmless Seller, its Affiliates (including the Acquired Companies) and each of their respective Representatives from and against all damages caused directly as a result of the actions of Purchaser, its Affiliates or its or their respective Representatives under this Section 4.3(a). The foregoing indemnification obligation shall survive the Closing or termination of this Agreement for six (6) months. Any information obtained by Purchaser pursuant to this paragraph shall be held in confidence by Purchaser and its Representatives in accordance with the provisions of Section 4.2.

(b) From and after the Closing, Purchaser will make or cause to be made available to Seller all books, records, Tax Returns and documents of the Acquired Companies (and the assistance of employees responsible for such books, records and documents) during regular business hours as may be reasonably necessary for (i) investigating, settling, preparing for the defense or prosecution of, defending or prosecuting any Action (other than any Action involving Purchaser or any of its Affiliates (other than any Acquired Company)), (ii) preparing reports to equity-holders, lenders and Governmental Authorities or (iii) such other purposes for which access to such documents is reasonably believed by Seller to be necessary, including preparing Tax Returns or responding to or disputing any Tax audit; provided, however, that access to such books, records, documents and employees shall only be upon reasonable notice, shall not unreasonably disrupt personnel and operations of the Acquired Companies and shall be at Seller's sole cost and expense. Purchaser will cause each Acquired Company to maintain and preserve all such Tax Returns, books, records and other documents relating to periods prior to Closing for seven (7) years after the Closing Date and, in each case, shall offer to transfer such records to Seller at Seller's expense at the end of any such period prior to destroying or disposing of the same.

4.4 Regulatory Matters; Consents.

(a) In order to consummate the transactions contemplated hereby, the Parties shall, and shall cause their respective Affiliates to, during the Interim Period, (i) proceed diligently and in good faith and use all Commercially Reasonable Efforts, as promptly as practicable, to obtain the Consents contemplated by Sections 2.5 and 2.6, and to make any filings required of it with, and to give all required notices to, the applicable Governmental Authorities and (ii) cooperate in good faith with the applicable Governmental Authorities and such other Persons to or from whom Consents are to be made, obtained or given pursuant to this Agreement, and provide promptly such other information and communications to such Governmental Authorities or other Persons as such Governmental Authorities or other Persons may reasonably request in connection therewith; provided, however, notwithstanding anything to the contrary in this Agreement, except as otherwise contemplated in Section 4.4(c), the Parties acknowledge and agree that neither Purchaser nor Seller shall have any obligation to pay any consideration, other than customary fees imposed by Governmental Authorities and professional fees of counsel, or to offer to grant, or agree to, any financial or other accommodation in order to obtain any of the Seller Consents or Purchaser Consents. The Dixie Project Company shall be responsible for any costs and expenses required to be paid in connection with any consent required under the Sale Leaseback Documents.

(b) The Parties will provide prompt notification to each other when any such Consent referred to in Section 4.4(a) is obtained, taken, made, given or denied, as applicable, and will advise each other of any material communications with any Governmental Authority or by such other Persons regarding the Project Companies or any of the transactions contemplated by this Agreement (including any submissions filed at FERC by or on behalf of the Project Companies or any such Person).

(c) In furtherance of the foregoing covenants:

(i) each Party shall, and shall cause its respective Affiliates to, prepare, as soon as is practical following the Effective Date, all necessary filings in connection with the transactions contemplated by this Agreement that may be required under the HSR Act, or any other Applicable Laws prior to the Closing Date. Each Party shall, and shall cause its respective Affiliates to, submit the required filings as soon as practicable, but, with respect to filings under the HSR Act, in no event later than ten (10) Business Days after the Effective Date. The Parties shall, and shall cause their respective Affiliates to, request expedited treatment of any such filings, promptly make any appropriate or necessary subsequent or supplemental filings, and cooperate with one another in the preparation of such filings in such manner as is reasonably necessary and appropriate. The Parties shall consult with one another and shall agree in good faith upon the timing of such filings;

(ii) neither Party shall, and each Party shall cause its Affiliates not to, take any action that would reasonably be expected to adversely affect or materially delay or impair the Consent of any Governmental Authority or other Person in connection with the consummation of the transactions contemplated hereby; and

(iii) subject to applicable confidentiality restrictions or restrictions required by Applicable Law, Purchaser and Seller will notify the other Party promptly upon the receipt by such Party or its Affiliates of (A) any comments or questions from any officials of any Governmental Authority in connection with any filings made pursuant to this Section 4.4 or the transactions contemplated by this Agreement and (B) any request by any officials of any Governmental Authority for amendments or supplements to any filings made pursuant to any Applicable Laws of any Governmental Authority or answers to any questions, or the production of any documents, relating to an investigation of the transactions contemplated by this Agreement by any Governmental Authority. Whenever any event occurs that is required to be set forth in an amendment or supplement to any filing made pursuant to this Section 4.4, each Party will promptly inform the other Party of such occurrence and cooperate in filing promptly with the applicable Governmental Authority such amendment or supplement. Without limiting the generality of the foregoing, each Party shall provide to the other Party (or its respective advisors) upon request copies of all correspondence between such Party and any Governmental Authority relating to the transactions contemplated by this Agreement or the Transaction Documents. The Parties may, as they deem advisable and necessary, designate any competitively sensitive materials provided to the other Party under this Section 4.4 as "outside counsel only." Such materials and the information contained therein shall be given only to outside counsel of the recipient and will not be disclosed by such outside counsel to employees, officers or directors of the recipient without the advance written consent of the Party providing such materials. In addition, to the extent reasonably practicable, the Parties shall use Commercially Reasonable Efforts to ensure that all discussions, telephone calls and meetings with a Governmental Authority regarding the transactions contemplated by this Agreement shall include Representatives of both Purchaser and Seller; provided, however, that each Party may exclude the other Party and its Representatives from any discussion, telephone call or meeting with a Governmental Authority to the extent such reasonably expects such discussion, telephone call or meeting to involve the disclosure of competitively sensitive information concerning such Party or any of its Affiliates; provided, however, that such Party shall inform the other Party that such discussion, telephone call or meeting occurred. Subject to Applicable Law, the Parties will consult and cooperate with each other in connection with any analyses, appearances, presentations, memoranda, briefs, arguments and proposals made or submitted to any Governmental Authority regarding the transactions contemplated by this Agreement or the Transaction Documents by or on behalf of any Party.

4.5 Employee Matters.

(a) Prior to Closing Date, the Facility Employees and Service Employees may, in the sole discretion of TGOC, continue in the same role as employees of TGOC. Nothing in this Section 4.5 shall affect the right of TGOC to direct the activities of or terminate the employment of any Facility Employee or Service Employee for any reason or at any time. At all times prior to the Closing Date, TGOC shall continue to have the exclusive right to the services of the Facility Employees and Service Employees and shall make any and all employment decisions regarding Facility Employees and Service Employees as it shall deem appropriate. TGOC shall be exclusively responsible for the payment of all wages, provision of all benefits and compliance with all Applicable Laws with respect to the Facility Employees and Service Employees with respect to employment by TGOC or termination by TGOC of employment of any Facility Employees and Service Employees.

(b) Purchaser agrees that, without Seller's prior written consent, neither it nor any of its Affiliates will solicit for hire or employment or employ, and it shall cause Purchaser Service Company and its Affiliates not to solicit for hire or employment or employ, any Service Employee who is not identified on Schedule 4.5(b), which, for the avoidance of doubt, does not include any Facility Employees, which Purchaser, Purchaser Service Company or their respective Affiliates, learned of in connection with the acquisition contemplated hereby for a period of two (2) years after the Effective Date, except that the foregoing shall: (i) not apply to any solicitation (or any hiring as a result of any solicitation) that consists of advertising in a newspaper or periodical of general circulation or through similar general circulation on the internet not specifically directed toward such specified Persons; and (ii) not be construed to prohibit Purchaser or Purchaser Service Company from hiring any Persons who on their own submit an application for employment that is not solicited by Purchaser or Purchaser Service Company.

(c) Prior to the Effective Date, Seller has provided to Purchaser a true and correct list of (i) certain employee information relating to employment, employee compensation and benefits of the Facility Employees, including such Facility Employee's current base salary or wage rate, annual incentive opportunity, and annual bonuses received for the past two (2) years, and (ii) specific information relating to each such Facility Employee as of the day immediately preceding the Effective Date regarding such Facility Employee's job title, years of service, hire date, exempt and non-exempt status, salaried and hourly status, and leave status (including the type and duration of such leave) ("Employee Information"), and, subject to the consent of any such Facility Employee that Seller or its applicable Affiliates determines is required by Applicable Law, such other non-public personal information regarding each Facility Employee as is necessary for Purchaser to meet its obligations under this Section 4.5. Purchaser acknowledges receipt of the Employee Information.

(d) Prior to the Closing Date, Purchaser shall make, or shall cause Purchaser Service Company to make, offers to employ each Facility Employee, in a comparable role consistent with the same or similar job duties that such Facility Employee had with TGOC. All such offers shall be in writing and provide for the manner in which each Facility Employee may accept, or shall be deemed to have accepted, or reject, or shall be deemed to have rejected, such offer. Seller agrees to cooperate with Purchaser to ensure that these offers are furnished to the Facility Employees. Each offer of employment to a Facility Employee shall be effective as of the Closing. Immediately prior to the Closing, the employment of each Facility Employee shall be terminated by TGOC, and TGOC shall offer to compensate each Facility Employee for unused vacation time. Each Facility Employee who accepts, or is deemed to have accepted, the offer of employment from Purchaser or Purchaser Service Company in accordance with the terms of such offer, and commences employment with Purchaser or Purchaser Service Company, shall be referred to as a "Transferred Employee". Such employment with Purchaser or Purchaser Service Company, as applicable, shall be effective as of the Closing Date. With respect to Transferred Employees, Purchaser shall, or shall cause Purchaser Service Company to, continue such employment with compensation and benefits that, taken as a whole, are at a level substantially similar to the compensation and benefits (other than any severance benefits or equity interests) provided by TGOC to such Transferred Employees immediately prior to the Closing Date; provided, however, that the compensation offered to the Facility Employee listed on Schedule 4.5(d) may be less than what is provided by TGOC immediately prior to the Closing Date. With respect to any Facility Employee that rejects, or is deemed to have rejected, an employment offer from Purchaser or Purchaser Service Company, neither Purchaser nor Purchaser Service Company shall be responsible for any severance or other obligations to such Facility Employee or Service Employee.

(e) Effective as of the Closing Date, each Facility Employee who accepts an offer of employment from Purchaser or Purchaser Service Company shall cease to participate in all Facility Employees' Benefit Plans. Purchaser shall not assume any of the Facility Employees' Benefit Plans or any other liability in respect of any employee benefit plans, programs or arrangements of Seller or any of its ERISA Affiliates.

(f) For a period of twelve (12) months from and after the Closing Date, Purchaser shall or shall cause each Purchaser Service Company to provide each Transferred Employee with compensation and employee benefits that are, in the aggregate, substantially similar to those provided, whether by policy or in practice in the ordinary course of business, by TGOC to its employees immediately prior to the Closing Date; provided, however, that the compensation provided to the Facility Employee listed on Schedule 4.5(d) may be less than what is provided by TGOC immediately prior to the Closing Date. Purchaser shall, and shall cause Purchaser Service Company to, honor all unused vacation time accrued by the Facility Employees under the policies and practices of the applicable Affiliates of Seller Group immediately prior to the Closing Date who do not accept the compensation offered by TGOC to them in accordance with Section 4.5(d). Notwithstanding the foregoing, Purchaser shall have no obligations pursuant to this Section 4.5(f) with respect to any Transferred Employee who is terminated by Purchaser, Purchaser Service Company or any of their Affiliates for Cause.

(g) For each Transferred Employee and his or her eligible dependents covered immediately prior to the Closing Date by a group health plan under the Facility Employees' Benefit Plans, and who becomes covered under a group health plan maintained by Purchaser, Purchaser Service Company or any of their Affiliates, Purchaser or Purchaser Service company shall, or shall cause such Affiliate to, use Commercially Reasonable Efforts to provide credit, for the plan year during which such coverage under such Purchaser group health plan begins, with respect to any deductibles and co-payments already incurred by such Transferred Employee and his or her enrolled dependents during such plan year. Each Transferred Employee shall be responsible for providing the necessary information to Purchaser or Purchaser Service Company based on explanation of benefit forms received by the Transferred Employee and such Transferred Employee's enrolled dependents from the Facility Employees' Benefit Plans' group health plan.

(h) From and after the Closing Date, Purchaser shall, or shall cause Purchaser Service Company to, recognize each Transferred Employee's years of service with Seller's Affiliates and any other Person that was acquired directly or indirectly by Seller or any of its Affiliates (whether through purchase, merger or other combination) for purposes of eligibility and participation under all Purchaser, Purchaser Service Company or Affiliate Benefit Plans and benefit programs and policies maintained after the Closing by Purchaser, Purchaser Service Company or an Affiliate of Purchaser.

(i) Purchaser shall use Commercially Reasonable Efforts to cause each employee welfare benefit plan or program sponsored by Purchaser, a Purchaser Service Company or Affiliate of Purchaser to waive any preexisting condition exclusion or restriction with respect to eligibility, participation and coverage requirements and restrictions applicable to Transferred Employees.

(j) If the employment of any Transferred Employee is terminated by Purchaser or an Affiliate of Purchaser or Purchaser Service Company for a reason other than Cause within twelve (12) months following the Closing Date, then Purchaser shall, or shall cause its applicable Affiliates or Purchaser Service Company to, provide such Transferred Employee with severance benefits equal to the severance benefits described in the severance plan that a Purchaser Service Company makes available to its similarly situated employees and that would have been provided to such employee if his or her employment had been terminated under circumstances entitling such employee to benefits under such severance plan. All obligations under this Section 4.5(j) shall terminate on the date that is twelve (12) months after the Closing Date. For the avoidance of doubt, Purchaser shall have no obligations with respect to severance or otherwise pursuant to this Section 4.5(j) to any Transferred Employee who is terminated by Purchaser, Purchaser Service Company or any of their Affiliates for Cause.

(k) For any Transferred Employee terminated as described in Section 4.5(j), Purchaser shall offer continuing group health plan coverage to such Transferred Employees under or equivalent to the continuation coverage required by the Consolidated Omnibus Budget Reconciliation Act of 1985.

(l) Claims of individuals receiving short-term or long-term disability benefits under a Facility Employees' Benefit Plan as of the Closing Date shall be the sole responsibility of the applicable Affiliate of Seller and the applicable Facility Employees' Benefit Plans. Except as provided in the preceding sentence, claims for short-term or long-term disability benefits presented after the Closing Date by any Transferred Employee employed or retained by Purchaser Service Company shall be the sole responsibility of Purchaser and its Affiliates (without regard to whether the circumstances giving rise to such claim occurred before, on or after the Closing Date).

(m) Claims for workers' compensation benefits for Transferred Employees arising out of occurrences prior to the Closing Date and all claims for Facility Employees and Service Employees who are not Transferred Employees shall be the responsibility of TGOC. Claims for workers' compensation benefits for Transferred Employees arising out of occurrences on or after the Closing Date shall be the responsibility of Purchaser.

(n) The Parties acknowledge and agree that all provisions contained in this Section 4.5 are included for the sole benefit of the Parties. This Agreement is not intended by the Parties to, and nothing in this Section 4.5 or otherwise in this Agreement, whether express or implied, shall, (i) constitute an amendment to any Benefit Plan or (ii) confer on any Transferred Employee or any other Person (other than the Parties) any rights or remedies (including any right to employment or other service relationship or any third-party beneficiary rights).

4.6 Cooperation; Further Assurances.

(a) Without limiting Section 4.3(a), the Parties shall reasonably cooperate with one another prior to Closing in connection with the consummation of the transactions contemplated hereby and the anticipated transition of the Acquired Companies and the Projects to Purchaser.

(b) Subject to the terms and conditions of this Agreement and Applicable Law, the Parties each agree that from time to time, that they will execute and deliver or cause their respective Affiliates (including, with respect to Seller, by causing the Acquired Companies) to execute and deliver such further instruments, and take (or cause their respective Affiliates, including, with respect to Seller, by causing the Acquired Companies to take) such other action, as may be reasonably necessary to carry out the purposes and intent of this Agreement and the other Transaction Documents.

4.7 Casualty.

(a) If, during the Interim Period, any Assets of the Operating Acquired Companies are damaged or destroyed by any casualty event (a "Casualty Loss") or are taken, in part or in whole, by any Governmental Authority, then Seller shall deliver to Purchaser, no later than thirty (30) days following such event, a good faith and reasonable estimate of (i) in the case of such a casualty event, the sum of (x) the cost of restoring such Assets to a condition operationally comparable to their condition immediately prior to such Casualty Loss, *plus* (y) the Casualty Restoration Period Income or (ii) in the case of such a taking or any portion of such Assets that will not be restored, the reduction in the net present value of such Assets as a result of such taking or casualty. Such good faith and reasonable estimate in the case of clauses (i) and (ii) shall be net of and after giving effect to (A) any condemnation award or other third party proceeds to cover Liabilities as a result of the Casualty Loss which the relevant Operating Acquired Company will have received as of the Closing or will have received written notice that it will receive such award or proceeds within sixty (60) days after the Closing Date, (B) any Tax benefits reasonably expected to be realized by the relevant Acquired Company as a result of such casualty or condemnation event, other than any portion of such benefits that reduces pre-Closing Taxes, and (C) any amounts reasonably expended by Seller or any of its Affiliates to restore the affected Assets to the condition described in clause (a)(i) of this Section 4.7 (such aggregate estimate being a "Casualty Estimate"). Any Casualty Estimate shall be prepared based on the best reasonably available information as of the date of such Casualty Estimate and if the Closing or Termination Date is expected to occur prior to the expiration of the thirty (30)-day period referenced above, then the Closing Date and the Termination Date, as applicable, shall be postponed, if necessary, to the tenth (10th) Business Day after such Casualty Estimate is made.

(b) Notwithstanding the provisions of this Section 4.7, if Purchaser objects to Seller's Casualty Estimate pursuant to this Section 4.7 in writing (including a description in reasonable detail of the basis for such objection and reasonable supporting documentation) within ten (10) Business Days after receipt of Seller's Casualty Estimate, and Seller and Purchaser are not able within ten (10) Business Days thereafter to reasonably agree in good faith on a mutually acceptable revision to such Casualty Estimate to address such objections, then Seller shall cause an independent engineering firm reasonably acceptable to Purchaser and Seller to prepare the appropriate Casualty Estimate as promptly as practicable, which Casualty Estimate shall be final and binding upon the Parties absent manifest error or gross negligence or willful misconduct of the independent firm; provided that, if the Closing or Termination Date is expected to occur prior to the determination of the Casualty Estimate in accordance with this Section 4.7(b), then the Closing Date and the Termination Date, as applicable, shall be postponed, if necessary, to the tenth (10th) Business Day after such Casualty Estimate is determined in accordance with this Section 4.7(b).

(c) In the event the Casualty Estimate is greater than $250,000 and less than $20,000,000, individually or in the aggregate for all Assets of the Operating Acquired Companies, Seller may elect, at its sole discretion, to (i) restore, repair or replace the Assets subject to the Casualty Loss to a condition operationally comparable to their condition immediately prior to such Casualty Loss or (ii) reduce the Base Purchase Price by an amount equal to such Casualty Estimate *less* any amounts reasonably expended by Seller or its Affiliates to restore the affected Project not previously taken into account in the Casualty Estimate, in which case Purchaser shall, taking such reduction into account, be obligated to consummate the transactions contemplated by this Agreement (assuming the satisfaction or, when permissible, waiver of the conditions set forth in Sections 2.5 and 2.6 (other than any such conditions which by their terms are not capable of being satisfied until the Closing Date, but subject to the satisfaction or waiver of those conditions)) in accordance with the terms of this Agreement. If Seller elects to restore, repair or replace the Assets subject to the Casualty Loss pursuant to clause (i) above, Seller will complete or cause to be completed, using Commercially Reasonable Efforts, the repair, replacement or restoration of such Assets in accordance with prudent industry practice prior to Closing and the Closing Date shall be postponed for the amount of time reasonably necessary to complete the restoration, repair or replacement of such Assets as reasonably agreed among Purchaser and Seller (provided that such postponement shall not extend beyond the date that is five (5) Business Days prior to the Termination Date. If the Casualty Estimate equals $250,000 or less, (A) neither Purchaser nor Seller shall have the right or option to terminate this Agreement pursuant to this Section 4.7 and (B) there shall be no reduction in the amount of the Base Purchase Price with respect to such Casualty Estimate.

(d) In the event the Casualty Estimate is greater than or equal to $20,000,000, individually or in the aggregate for all Assets of the Operating Acquired Companies, (i) either Purchaser or Seller may elect, in their respective sole discretion, to terminate this Agreement by written notice to the other Party or (ii) if neither Purchaser nor Seller elects to terminate this Agreement pursuant to this Section 4.7(d) within thirty (30) days following determination of the final Casualty Estimate, Purchaser may elect to consummate the transactions contemplated by this Agreement, in which case the Base Purchase Price shall be reduced by the Casualty Estimate *less* any amounts reasonably expended by Seller or its Affiliates to restore the affected Assets not previously taken into account in the Casualty Estimate.

(e) In the event that the Casualty Estimate is incorrect and: (i) Purchaser's or the Operating Acquired Companies' actual recovery of casualty proceeds, third party proceeds and Tax benefits is less than those used in the calculation of the Casualty Estimate, Seller shall promptly pay to Purchaser the amount by which the actual recovery was less than the Casualty Estimate; or (ii) Purchaser's or the Operating Acquired Companies' actual recovery of casualty proceeds, third party proceeds or Tax benefits is greater than those used in the calculation of the Casualty Estimate, Purchaser shall promptly pay to Seller the amount by which the actual recovery was greater than the Casualty Estimate.

4.8 Support Obligations.

(a) Purchaser recognizes that certain Affiliates of Seller (other than the Acquired Companies) have provided the Support Obligations set forth on Schedule 3.1(s)(i).

(b) Prior to Closing, Purchaser shall provide comparable substitute credit support, guarantees, letters of credit or other commitments to replace the Support Obligations set forth on Schedule 3.1(s)(i). Without limiting the foregoing, Purchaser and Seller shall enter into such assignments and other documentation (the "Support Obligation Termination Documentation") reasonably requested by the counterparties to the Material Contracts requiring such Support Obligations in connection with (i) effecting the full and unconditional release, effective as of the Closing Date, of Seller and its Affiliates (other than the Acquired Companies) from such Support Obligations and (ii) procuring the termination and redelivery to Seller of each original document evidencing such Support Obligations released or replaced pursuant to this Section 4.8.

4.9 **Use of Certain Names**. Within sixty (60) days following the Closing Date, Purchaser shall cause the Acquired Companies to cease using the words "Terra-Gen" (or any words that may cause a reasonable likelihood of confusion with the words "Terra-Gen") or constituting an abbreviation or extension thereof, and any logos associated therewith (the "Seller Marks"), including eliminating or covering the Seller Marks from the property of the Acquired Companies and disposing of any unused stationery and literature of the Acquired Companies bearing the Seller Marks. Thereafter, Purchaser shall not, and shall cause the Acquired Companies and their Affiliates not to, use the Seller Marks or any logos, trademarks, trade names embodying the Seller Marks, and Purchaser acknowledges that it, its Affiliates and the Acquired Companies have no rights hereunder to use the Seller Marks. Without limiting the foregoing:

(a) Within sixty (60) days after the Closing Date, Purchaser shall cause any Acquired Company whose name contains any of the Seller Marks to change its name to a name that does not contain any of the Seller Marks.

(b) Within thirty (30) days after compliance with Section 4.9(a), Purchaser shall certify in writing to Seller that Purchaser has made all filings required pursuant to paragraph (a) above.

4.10 **Insurance**. Purchaser acknowledges that all Insurance Policies shall terminate as of the Closing Date. Purchaser shall be solely responsible for providing any insurance to the Acquired Companies for any claims made after the Closing.

4.11 **Exclusivity**. Except with respect to this Agreement and the transactions contemplated hereby, Seller agrees that it will not, and will cause its Affiliates, the Acquired Companies and each of its and their respective directors, officers, employees, Affiliates and other agents and Representatives (including any investment banking, legal or accounting firm retained by it or any of them and any individual member or employee of the foregoing) not to: (a) initiate, solicit, seek, encourage, facilitate or continue, directly or indirectly, any inquiries or the making or implementation of any proposal or offer (including any proposal or offer to its shareholders or any of them) with respect to a merger, acquisition, consolidation, recapitalization, liquidation, dissolution, equity investment or similar transaction involving, or any purchase of all or any substantial portion of the Assets of or the purchase or issuance of any Interest in, the Acquired Companies (any such inquiry, proposal or offer being hereinafter referred to as a "Proposal"), (b) engage in any negotiations concerning, or knowingly provide any Confidential Information or data to, or have any substantive discussions with, any person relating to a possible Proposal, (c) otherwise knowingly cooperate in any effort or attempt to make, implement or accept a Proposal, or (d) enter into any Contract or other instruments (whether or not binding) with any Person relating to a Proposal. Seller shall immediate cease and cause to be terminated, and shall cause its Affiliates (including the Acquired Companies) and their and such Affiliates' respective Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Person conducted heretofore with respect to a possible Proposal. Seller agrees that the rights and remedies for noncompliance with this Section 4.11 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach of this Section 4.11 will cause irreparable injury to Purchaser and that money damages would not provide an adequate remedy to Purchaser.

4.12 **R&W Policy**. Purchaser has entered into a binding agreement with the insurer of the R&W Policy to incept the R&W Policy as of the date of this Agreement in a form reasonably acceptable to Seller with regard to the matters set forth in the third sentence of this Section 4.12. Purchaser agrees that Seller shall not be responsible for (and that Purchaser shall be responsible for) any costs of the R&W Policy, including any premium, underwriting fees, brokerage commissions, the retention under the R&W Policy or any other costs, fees and expenses for or related to the R&W Policy. Purchaser shall cause the R&W Policy to expressly provide that the insurer under the R&W Policy waives, and agrees not to pursue, directly or indirectly, any subrogation rights against Seller or any of its Affiliates with respect to any claim made by any insured thereunder, other than subrogation rights against Seller or any of its Affiliates with respect to Fraud. Purchaser shall not and shall cause its Affiliates not to, amend, modify or otherwise change, terminate or waive any provision of the R&W Policy (i) with respect to the waiver of subrogation set forth therein or (ii) in any manner that would be reasonably likely to increase or expand the ability or rights of the insurer thereunder to bring an Action against, or otherwise seek recourse from Seller, in each case without the prior written consent of the Seller.

ARTICLE 5
TAX MATTERS

5.1 **Certain Taxes**.

(a) For any Taxes with respect to which the taxable period of any Acquired Company ends on or before the Closing Date, Seller or such Acquired Company shall timely prepare and file with the appropriate authorities all Tax Returns required to be filed by such Acquired Company. After the Closing Date, Purchaser shall timely prepare and file with the appropriate authorities all other Tax Returns required to be filed by each Acquired Company. Purchaser shall permit Seller, prior to filing, a reasonable time to review and comment on each such Tax Return described in the preceding sentence for which a material part of the period covered by the Tax Return is before the Closing Date.

(b) All real property Taxes, personal property Taxes and similar obligations of each Acquired Company imposed by any Governmental Authority that relate to an Overlap Period shall be apportioned between Seller and Purchaser on a per-diem basis, and all income Taxes, sales and use Taxes and withholding Taxes that relate to an Overlap Period of an Acquired Company shall be apportioned between Seller and Purchaser as determined from the books and records of the Acquired Companies as though the taxable year of such Acquired Company had terminated at the close of business on the Closing Date. Seller shall be liable for the Taxes of the Acquired Companies that are attributable to the portion of all Overlap Periods ending on the Closing Date. Purchaser shall be liable for the Taxes of the Acquired Companies attributable to the portion of all Overlap Periods beginning after the Closing Date. If any refund, rebate or similar payment is received by any Acquired Company or Purchaser for any real property Taxes, personal property Taxes or similar obligations referred to above that relate to an Overlap Period, such amount shall be apportioned between Seller and Purchaser as aforesaid on the basis of their respective obligations with respect to such Overlap Period.

(c) Purchaser shall not amend, refile or otherwise modify, or cause or permit to be amended, refiled or otherwise modified, any Tax Return with respect to the Acquired Companies filed by Seller for any taxable period beginning on or before the Closing Date without the prior written consent of Seller (which consent shall not be unreasonably withheld or delayed).

(d) Seller and Purchaser shall reasonably cooperate, and shall cause their respective Affiliates, employees and agents reasonably to cooperate, in preparing and filing all Tax Returns of each Acquired Company, including maintaining and making available to each other all records that are necessary for the preparation of any Tax Returns that the Party is required to file under this ARTICLE 5, and in resolving all disputes and audits with respect to such Tax Returns.

(e) All sales, use transfer, real property transfer, recording, gains, stock transfer, value-added and other similar Taxes and fees ("Transfer Taxes"), if any, arising out of or in connection with the transactions effected pursuant to this Agreement shall be split equally by Seller and Purchaser. Tax Returns that must be filed in connection with such Transfer Taxes shall be prepared and filed by Seller, and Seller shall use Commercially Reasonable Efforts to provide such Tax Returns to Purchaser at least ten (10) Business Days prior to the date such Tax Returns are due to be filed.

(f) Seller shall have the exclusive authority to control, at its sole cost and expense, any audit or examination by any taxing authority, amend any Tax Return, and contest, resolve and defend against any assessment for additional Taxes, notice of Tax deficiency or other adjustment of Taxes of or relating to any income Tax liability of the Project Companies for any taxable period ending on or before the Closing Date (each, a "Tax Matter"), provided, however, that Seller shall provide to Purchaser (at Purchaser's expense) reasonable participation rights with respect to so much of any Tax Matter that is reasonably likely to affect the Tax liability of Purchaser or any Acquired Company for any period after the Closing Date. Seller will promptly deliver to Purchaser copies of all notices, information document requests, communications, reports and writings received from the IRS or any state or local tax authority with respect to any Tax Matter and will keep Purchaser advised of all developments with respect to such Tax Matter. Seller shall not enter into any settlement of, or otherwise compromise, any such Tax Matter that could reasonably be expected to adversely affect Purchaser or the Acquired Companies for any period after the Closing Date without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed. Seller shall be entitled to any Tax refund relating to Taxes for any Tax period (or portion thereof) ending on or before the Closing Date and to initiate any claim for refund for any such period, and Purchaser shall reasonably cooperate with Seller to initiate or pursue any such claim.

(g) Except as provided in Section 5.1(f), Purchaser shall have the exclusive authority to control any Tax Matter. Purchaser shall not enter into any settlement of, or otherwise compromise, any such Tax Matter that could reasonably be expected to adversely affect Seller without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. Purchaser will promptly deliver to Seller copies of all notices, information document requests, communications, reports and writings received from the IRS or any state or local tax authority with respect to any Tax Matter relating to an Overlap Period for which Seller may have material liability and will keep Seller advised of all developments with respect to such Tax Matter. Purchaser will provide to Seller (at Seller's expense) reasonable participation rights with respect to so much of any such Overlap Period Tax Matter for which Seller has potential material liability.

(h) Any Tax refund (including any interest received with respect thereto) for, or attributable to, a Pre-Closing Period that is received by an Acquired Company or credited against a Tax that an Acquired Company would have been required to pay in a Post-Closing Period shall be for the account of Seller, and Purchaser shall pay over to Seller any such amounts within fifteen (15) days after the receipt or entitlement of such refund or credit.

5.2 **Allocation of Purchase Price**. The Parties shall treat the sale and purchase of each Lessor as a sale and purchase of stock in a corporation and of the Project Company Interests as a sale and purchase of the Assets of the Project Companies. The Purchase Price shall be allocated among such stock and Assets in accordance with a purchase price allocation prepared by Purchaser and subject to the review and consent of Seller. Seller shall provide Purchaser with any information reasonably requested and required to complete IRS Form 8594 and Purchaser shall complete such form and shall furnish Seller with a draft of such form within ninety (90) following the Closing Date. If the Parties are unable to agree on the final purchase price allocation, then the final purchase price allocation will be determined by the Neutral Auditor, and the costs associated with such accounting firm will be borne equally by the Parties. No Party shall file any Tax Return or take a position with any Governmental Authority that is inconsistent with the agreed or determined purchase price allocations and IRS Form 8594. Purchaser and Seller shall otherwise cooperate with any reasonable request of the other Party in respect of such allocation and each Party's Tax treatment of the transactions herein contemplated.

ARTICLE 6
TERMINATION

6.1 **Termination**. Without limiting any Party's ability to exercise any right or remedy to which it is entitled hereunder or under any of the Transaction Documents, this Agreement may be terminated prior to the Closing only as follows:

(a) by either Seller, on the one hand, or Purchaser, on the other hand, if the Closing has not been consummated by the close of business on August 20, 2021, unless extended by written agreement of the Parties (such date, as the same may be so extended, the "Termination Date"); provided, however, that the Party seeking termination under this Section 6.1(a) is not in default or breach hereunder and has not failed to fulfill any obligation under this Agreement, which default, breach or failure has been a principal cause of the failure of the Closing to occur on or before the Termination Date;

(b) by the express mutual written consent of Seller and Purchaser;

(c) by either Seller, on the one hand, or Purchaser, on the other hand, in the event Seller (with respect to a termination by Purchaser) or Purchaser (with respect to a termination by Seller) is in material breach of a representation, warranty, covenant or agreement contained in this Agreement such that any of the conditions in Section 2.5 or Section 2.6, as applicable, could not be satisfied, the Party seeking to terminate this Agreement has provided written notice of such breach to the breaching Party and such breach has not been cured within thirty (30) days after delivery of such notice; provided, however, that the Party seeking termination pursuant to this Section 6.1(c) is not then in breach of its representations, warranties, covenants or agreements contained in this Agreement; provided, further, without limiting Section 6.1(e), but notwithstanding anything else in this Agreement to the contrary, it is understood and agreed by the Parties that Purchaser shall not have the right to terminate this Agreement pursuant to this Section 6.1(c) in respect of any breach of Seller caused solely by the occurrence of a Casualty Loss or condemnation event described in Section 4.7, and any reduction in the Base Purchase Price pursuant to Section 4.7 or restoration of Assets of the Operating Acquired Companies in accordance with Section 4.7(c)(ii) shall, for the avoidance of doubt, cure any such breach for all purposes hereunder;

(d) by Seller, on the one hand, or Purchaser, on the other hand, if any Governmental Authority shall have issued any Applicable Law or Order or taken any other action (in each case, other than any condemnation event described in Section 4.7) permanently restraining, enjoining or otherwise prohibiting the consummation of any of the transactions contemplated by this Agreement, and such Applicable Law, Order or other action shall not be subject to appeal or shall have become final and nonappealable; or

(e) by Seller or Purchaser pursuant to Section 4.7(d).

6.2 Procedure and Effect of Termination.

(a) The Party desiring to terminate this Agreement pursuant to Section 6.1 shall give written notice of such termination to the other Party in accordance with Section 8.7, specifying the provision hereof pursuant to which such termination is effected.

(b) If this Agreement is terminated pursuant to Section 6.1, this Agreement shall become void and of no effect with no liability on the part of any Party, except that, notwithstanding the foregoing, (i) the agreements contained in Section 4.2, Section 4.3(a)(iv)(B), this Section 6.2, and ARTICLE 8 shall survive the termination and (ii) no termination of this Agreement shall relieve any Party of any liability or damages arising out of, or resulting from, any intentional or willful breach of this Agreement that results in the failure of the Closing to occur; provided, however, that no Party shall be liable for any special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including lost profits).

ARTICLE 7
NO SURVIVAL

7.1 No Survival. Notwithstanding anything in this Agreement to the contrary, none of the representations, warranties, covenants or agreements contained in this Agreement and any certificate delivered pursuant hereto (other than the covenants and agreements that by their terms are expressly required to be performed after the Closing (the "Surviving Covenants")) will survive the Closing (it being understood that nothing in this Section 7.1 is intended to affect or limit the ability of Purchaser to recover under the R&W Policy for any matters covered thereunder), and the Surviving Covenants will survive the Closing until the date on which each such covenant is fully performed, and thereafter there will be no Liability on the part of, nor will any claim be made by, any Party or any of its respective Affiliates in respect thereof. It is the express intent of the Parties that the survival of each representation and warranty in this Agreement is shorter than the statute of limitations that would otherwise have been applicable to such representation or warranty, and, by Contract, the applicable statute of limitations with respect to such representation or warranty is hereby reduced so that it ends at the Closing, as provided in this Section 7.1.

7.2 Limitations.

(a) From and after the Closing, except (i) for the right to pursue specific performance pursuant to Section 8.1(a), (ii) any claim for Fraud and (iii) pursuant to Section 2.3 (but otherwise subject to the limitations therein), the sole and exclusive source of recovery in respect of any claim by Purchaser for (A) any and all damages or other claims relating to or arising from this Agreement, including breach of the covenants, arising out of or in any way related to any claim or cause of action with respect to the subject matter of this Agreement or the transactions contemplated hereby (other than the Surviving Covenants), or (B) breach of the representations and warranties set forth in the Agreement and any certificate delivered pursuant hereto, shall be the R&W Policy, and in no event shall Seller or any Affiliate thereof or any other Person have any direct or indirect Liability or obligation in respect of any such claim.

(b) Except as set forth in Section 7.2(a), the Purchaser may not avoid the limitations on liability set forth in this Section 7.2 by seeking damages for breach of Contract, tort or pursuant to any other theory of Liability, all of which are hereby waived. The Parties agree that the limits imposed on the remedies with respect to this Agreement and the transactions contemplated hereby were specifically bargained for between sophisticated parties, constitute a material term of this Agreement, and were specifically taken into account in the determination of the amounts to be paid to Seller hereunder. The conditions and limitations set forth in this Article VII will apply even if (a) the R&W Policy is never issued by an insurer, (b) the R&W Policy is revoked, cancelled, or modified in any manner after issuance, or (c) Purchaser makes a claim under the R&W Policy and such claim is denied by the insurer.

ARTICLE 8
GENERAL PROVISIONS

8.1 Remedies; Waiver of Other Representations.

(a) Subject to ARTICLE VII, but otherwise notwithstanding anything in this Agreement to the contrary, (i) each Party recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement may cause the other Party to sustain irreparable harm for which they would not have an adequate remedy at law, and therefore in the event of any such breach or threatened breach the aggrieved Party shall, without the posting of bond or other security (any requirement for which the Parties hereby waive), be entitled to seek the remedy of specific performance of such covenants and agreements, including consummation of the Closing, and injunctive and other equitable relief, in addition to any other remedy to which it might be entitled pursuant to the express terms of this Agreement, (ii) a Party shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement, and (iii) in the event that any Action is brought in equity to enforce the provisions of this Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law.

(b) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, (I) IT IS THE EXPLICIT INTENT OF EACH PARTY, AND THE PARTIES HEREBY AGREE, THAT NEITHER SELLER, ON THE ONE HAND, NOR PURCHASER, ON THE OTHER HAND, HAVE MADE OR ARE MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY AS TO THE CONDITION, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE ACQUIRED INTERESTS, THE PROJECT, THE ACQUIRED COMPANIES OR ANY PART THEREOF, (II) THE ACQUIRED COMPANIES ARE BEING TRANSFERRED THROUGH THE SALE OF THE ACQUIRED INTERESTS "AS IS, WHERE IS, WITH ALL FAULTS," (III) SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION (FINANCIAL OR OTHERWISE), VALUE OR QUALITY OF THE ACQUIRED COMPANIES AND THEIR ASSETS (INCLUDING THE GEOTHERMAL RESOURCE OF THE PROJECT), THE PROJECT OR THE PROSPECTS (FINANCIAL OR OTHERWISE), RISKS, BUSINESS, OPERATIONS, ASSETS, LIABILITIES AND OTHER INCIDENTS OF THE ACQUIRED COMPANIES, THEIR ASSETS, OR THE PROJECT OR THE NEGOTIATION, EXECUTION, DELIVERY OR PERFORMANCE OF THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS BY SELLER OR ITS AFFILIATES, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO PURCHASER OR ITS REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION WITH RESPECT TO ANY ONE OR MORE OF THE FOREGOING AND (IV) PURCHASER HAS NOT EXECUTED OR AUTHORIZED THE EXECUTION OF THIS AGREEMENT IN RELIANCE UPON ANY SUCH PROMISE, REPRESENTATION OR WARRANTY NOT EXPRESSLY SET FORTH HEREIN. FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS SECTION 8.1(B) LIMITS THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN OR WILL LIMIT, RESTRICT OR PROHIBIT ANY CLAIMS IN RESPECT OF FRAUD.

8.2 **Exhibits and Schedules**. All Exhibits and Schedules are incorporated herein by reference, provided that Seller makes no representation or warranty as to any matter disclosed in the Seller Disclosure Schedule, except as expressly provided in ARTICLE 3 hereof.

8.3 **Amendment, Modification and Waiver**. This Agreement may not be amended or modified except by an instrument in writing signed by each Party against which enforcement of such amendment or modification is sought. Any failure of Seller or Purchaser to comply with any obligation, covenant, agreement or condition contained herein may be waived only if set forth in an instrument in writing signed by each Party to be bound thereby, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any other failure.

8.4 **Severability**. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Applicable Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any Party.

8.5 **Expenses**. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will be responsible for paying all of the costs, fees and expenses incurred by it in connection with the transactions contemplated by this Agreement and the other Transaction Documents; provided that, Purchaser shall bear all the costs of all filing fees and expenses with respect to any filings required under the HSR Act in connection with the transactions contemplated by this Agreement.

8.6 **Parties in Interest**. This Agreement shall be binding upon and, except as provided below, inure solely to the benefit of each Party and its successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

8.7 **Notices**. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, by a nationally recognized overnight courier, by facsimile or email transmission (with acknowledgement received), or mailed by registered or certified mail (return receipt requested) to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

(a) If to Seller, to:

c/o Terra-Gen Power, LLC
437 Madison Ave, Suite 22-A
New York, NY 10022
Facsimile: (646) 829-3901
Email: joconnor@terra-gen.com
Attention: Chief Financial Officer

with a copy, which shall not constitute notice, to:

Reed Smith LLP
506 Carnegie Center
Princeton, New Jersey 08540
Email: hking@reedsmith.com
Facsimile: (609) 951-0824
Attention: Henry R. King

(b) If to Purchaser, to:

Deer Holdings, LLC
c/o Ormat Technologies, Inc.
6140 Plumas Street
Reno, Nevada 89519
Email: ContractNotices@ormat.onmicrosoft.com
Attention: Legal Department

with a copy by email to: aginzburg@ormat.com; jwoelfel@ormat.com

and with a copy, which shall not constitute notice, to:

Norton Rose Fulbright US LLP
799 9th Street NW, Suite 1000
Washington, DC 20001
Email: noam.ayali@nortonrosefulbright.com
Facsimile: (202) 662-4643
Attention: Noam Ayali

and

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York
Email: charles.hord@nortonrosefulbright.com
Facsimile: (212) 318-3400
Attention: Charles E. Hord, III

All notices and other communications given in accordance herewith shall be deemed given (i) on the date of delivery, if hand delivered, (ii) on the date of receipt, if emailed or faxed (with a delivery confirmation), (iii) five (5) Business Days after the date of mailing, if mailed by registered or certified mail, return receipt requested, and (iv) one (1) Business Day after the date of sending, if sent by a nationally recognized overnight courier; provided that a notice given in accordance with this Section 8.7 but received on any day other than a Business Day or after business hours in the place of receipt, will be deemed given on the next Business Day in that place.

8.8 Counterparts. This Agreement may be executed and delivered (including by facsimile or electronically mailed .pdf transmission) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that the Parties need not sign the same counterpart. Signatures of the Parties transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

8.9 Entire Agreement. This Agreement (together with the other Transaction Documents) constitutes the entire agreement of the Parties and supersedes all prior agreements, letters of intent and understandings, both written and oral, between the Parties with respect to the subject matter hereof.

8.10 Dispute Resolution; Governing Law; Choice of Forum; Waiver of Jury Trial

(a) Seller, on the one hand, and Purchaser, on the other hand, shall each appoint a Representative to coordinate with the other Party in respect of the implementation and performance of this Agreement. Except in connection with any disagreement regarding a Party's obligations to consummate the Closing or take any action required in connection therewith, if any dispute arises with respect to any Party's performance hereunder, the Representatives shall meet to attempt to resolve such dispute, either in person or by telephone, within five (5) Business Days after the written request of either Representative. Except as otherwise provided hereunder, if the Representatives are unable to resolve such dispute, a senior officer of Purchaser and a senior officer of Seller shall meet, either in person or by telephone, within ten (10) Business Days after either Representative provides written notice that the Representatives have been unable to resolve such dispute, to attempt to resolve the dispute. For the avoidance of doubt, if any dispute resolution meeting is not held within the applicable time period set forth in this Section 8.10(a) following a Party's request therefor, the requesting Party may pursue adjudication of such dispute in accordance with Section 8.10(b). Except as otherwise expressly provided in this Agreement, any disputes arising out of, in connection with or with respect to this Agreement, the subject matter hereof, or the performance or non-performance of any obligation hereunder that cannot be resolved in accordance with this Section 8.10(a) shall be adjudicated in accordance with Section 8.10(b) below.

(b) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES OR PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. THE PARTIES IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY, NEW YORK WITH RESPECT TO ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT HAND DELIVERED OR SENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SET FORTH IN SECTION 8.7 SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN NEW YORK WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN ANY OF THE AFOREMENTIONED COURTS AND HEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

8.11 **Public Announcements**. Except for statements made or press releases issued (i) pursuant to the Securities Act or the Exchange Act, (ii) pursuant to any listing agreement with or the rules of any national securities exchange or the National Association of Securities Dealers, Inc., or (iii) as otherwise required by Applicable Law, neither Seller nor Purchaser shall issue, or permit any of their respective Affiliates to issue, any press release or otherwise make any public statements with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other Party (such consent not to be unreasonably withheld, delayed or conditioned).

8.12 **Assignment**. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its respective rights or obligations hereunder without the prior written consent of each other Party, such consent not to be unreasonably withheld or delayed. Any assignment in contravention of this provision shall be void *ab initio*. No assignment shall release Purchaser or Seller from any obligation or liability under this Agreement.

8.13 **Relationship of Parties**. This Agreement does not constitute a joint venture, association or partnership between the Parties. No express or implied term, provision or condition of this Agreement shall create, or shall be deemed to create, an agency, joint venture, partnership or any fiduciary relationship between the Parties.

[Remainder of page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement for Purchase of Membership Interests to be signed on its behalf as of the date first written above.

TG GEOTHERMAL PORTFOLIO, LLC

By: _____
Name: _____
Title: _____

DEER HOLDINGS, LLC

By: _____
Name: _____
Title: _____

ANNEX I

DEFINITIONS

"Acquired Companies" means the Dixie Acquired Companies, the Beowawe Acquired Companies, and the Coyote Company.

"Acquired Interests" has the meaning given in the Recitals.

"Action" means any action, suit or proceeding (whether at law or in equity), audit, assessment, investigation, demand or inquiry by or before any Governmental Authority or any arbitration proceeding.

"Affiliate" means, with respect to any Person, any other Person who Controls, is Controlled by or is under common Control with such first Person.

"Affiliate Contract" means any Contract between any Acquired Company, on the one hand, and Seller or any Affiliate of Seller (other than any Acquired Company) or any employee, director, manager, officer, employee, agent or other Representative of Seller or any of its Affiliates (including any Acquired Company), on the other hand.

"Affiliate Release" has the meaning given in Section 2.5(e)(iv) of this Agreement.

"Aggregate Net Working Capital Amount" means (without duplication) the current assets of the Operating Acquired Companies, *minus* the current liabilities of the Operating Acquired Companies, as determined in accordance with (a) GAAP, (b) the practices, principles and methodologies used in the preparation of the Aggregate Net Working Capital Amount set forth on Exhibit C and (c) Section 2.2(b)(i) as of 12:01 A.M. (Eastern time) on the Closing Date; provided, however, that in no event shall the calculation of the Aggregate Net Working Capital Amount include (i) any current portion of indebtedness (including obligations under the Sale Leaseback Documents and each Binary Lease), (ii) any accrued interest, (iii) any current restricted cash balances related to rent or debt service (rent service and note interest accounts), and (iv) any amounts due from or due to Affiliates.

"Agreement" has the meaning given in the Preamble.

"Applicable Laws" means all laws (including common law), constitutions, statutes, rules, regulations, ordinances, judgments, settlements, orders, decrees, injunctions and writs of any Governmental Authority having jurisdiction over Seller, Purchaser, the Acquired Companies or the Projects, as applicable.

"Assets" means, with respect to any Person, all assets and properties of every kind, nature, character and description (whether real, personal or mixed, tangible or intangible and wherever situated), including the related goodwill, which assets and properties are owned, operated, leased or licensed by such Person or any of its subsidiaries.

"Assignment of Agreement Regarding Future Development" means the Assignment and Assumption of the Agreement Regarding Future Development, dated as of September 15, 2010, by and between Terra-Gen, LLC (as successor to Terra-Gen Power, LLC) and Terra-Gen Dixie Valley, LLC, substantially in the form of Exhibit G, dated as of the Closing Date, by and between Ormat Nevada Inc. and Terra-Gen, LLC.

"Base Purchase Price" means $171,000,000.

"Basic Lease Rent" has the same meaning as in the Facility Leases.

"Benefit Plan" means (a) each "*employee benefit plan,*" as such term is defined in Section 3(3) of ERISA, (b) each plan that would be an "*employee benefit plan*," as such term is defined in Section 3(3) of ERISA, if it was subject to ERISA, such as foreign plans and plans for directors, (c) each stock bonus, stock ownership, stock option, stock purchase, stock appreciation rights, phantom stock, or other stock plan (whether qualified or nonqualified), (d) each bonus or incentive compensation plan and (e) each other employee or fringe benefit, plan, program or arrangement, whether written or non-written or subject to ERISA.

"Beowawe Acquired Companies" means NPH, Beowawe Project Company, Binary Holdings and Beowawe Lessor.

"Beowawe Lessor" has the meaning given in the Recitals.

"Beowawe Lessor Interests" has the meaning given in the Recitals.

"Beowawe Project" has the meaning given in the Recitals.

"Beowawe Project Company" has the meaning given in the Recitals.

"Beowawe Project Company Interests" has the meaning given in the Recitals.

"Binary Holdings" has the meaning given in the Recitals.

"Binary Holdings Interests" has the meaning given in the Recitals.

"Binary Lease" means: (i) with regard to the Dixie Project, that certain "Delivery, Installation and Lease Agreement" between Dixie Lessor and the Dixie Project Company, dated as of November 9, 2012; and (ii) with regard to the Beowawe Project, that certain Equipment Lease between Beowawe Lessor and the Beowawe Project Company, dated as of January 11, 2011.

"Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks in New York City are authorized or required to be closed.

"Casualty Estimate" has the meaning given in Section 4.7(a) of this Agreement.

"Casualty Loss" has the meaning given in Section 4.7(a).

"Casualty Restoration Period" means, with respect to any Casualty Loss, the period commencing on the Closing Date and ending on the date the Asset subject to the Casualty Loss is estimated to be restored to a condition operationally comparable to its condition immediately prior to such Casualty Loss.

"Casualty Restoration Period Income" means, with respect to any Casualty Loss, the estimated net income during the Casualty Restoration Period that would have been realized (as determined in accordance with GAAP as applied by Seller consistent with past practice) from the Asset (or by the Person owning and operating the Asset) that was subject to the Casualty Loss.

"Cause" means a Transferred Employee's (i) willful or deliberate failure to perform the Transferred Employee's duties or gross negligence in the performance of the Transferred Employee's duties; (ii) breach of a material term of any agreement between the Transferred Employee and the Purchaser Service Company; (iii) dishonesty, willful misconduct or fraud in connection with any aspect of the Transferred Employee's employment; (iv) statutory or regulatory disqualification, bar or suspension; (v) commission of a felony or any crime of moral turpitude; (vi) engaging in conduct materially injurious to the business, reputation or goodwill of the Purchaser Service Company; or (vii) violation of the policies, practices or standards of behavior of the Purchaser Service Company, in each case, as determined by Purchaser or the Purchaser Service Company, as the case may be, in its sole discretion.

"CFIUS" has the meaning given in Section 3.2(g).

"Closing" has the meaning given in Section 2.4 of this Agreement.

"Closing Adjustment Certificate" has the meaning given in Section 2.2(b)(ii).

"Closing Date" means the date described in Section 2.4 of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commercially Reasonable Efforts" means the efforts, time and costs a prudent Person desirous of achieving a result would use, expend or incur in similar circumstances to achieve such results as expeditiously as possible; provided, however, that Commercially Reasonable Efforts shall not require such Person to spend funds or assume Liabilities beyond those that are reasonable in nature and amount in the context of the transactions contemplated by this Agreement.

"Confidential Information" has the meaning given in Section 4.2(a).

"Consents" means consents, approvals, exemptions, waivers, authorizations, filings, registrations and notifications.

"Contract" means any agreement, contract, commitment, instrument, undertaking, lease, note, mortgage, indenture, sales or purchase order, license or arrangement.

"Coyote Company" has the meaning given in the Recitals.

"Coyote Interests" has the meaning given in the Recitals.

"Control" means, with respect to any Person, the possession, direct or indirect, of the power to direct or cause the direction of the policies or management of such Person, whether through the ownership of Interests, by Contract or otherwise, and "Controls" and "Controlled by" have correlative meanings.

"Default" means, with respect to any Person, any circumstance, event or condition that would constitute or result in, with or without notice or the passage of time or both, a violation, breach, default or conflict or give rise to any right of termination, modification, cancellation, suspension, limitation, revocation, acceleration or payment.

"Disputed Item" has the meaning given in Section 2.2(b)(v).

"Dixie Acquired Companies" means Dixie Holdings, Dixie Project Company and Dixie Lessor.

"Dixie Holdings" has the meaning given in the Recitals.

"Dixie Holdings Interests" has the meaning given in the Recitals.

"Dixie Lessor" has the meaning given in the Recitals.

"Dixie Lessor Interests" has the meaning given in the Recitals.

"Dixie Project" has the meaning given in the Recitals.

"Dixie Project Company" has the meaning given in the Recitals.

"Dixie Project Company Interests" has the meaning given in the Recitals.

"DPA" has the meaning given in Section 3.2(g).

"Effective Date" has the meaning given in the Preamble.

"Employee Information" has the meaning set forth in Section 4.5(c).

"Environmental Laws" means all Applicable Laws pertaining to the environment, human health, safety, exposure to Hazardous Substances and natural resources, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), and the Superfund Amendments and Reauthorization Act of 1986, the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.), and the Hazardous and Solid Waste Amendments Act of 1984, the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act (also known as the Clean Water Act) (33 U.S.C. §§ 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.), the Endangered Species Act (16 U.S.C. §§ 1531 et seq.), the Migratory Bird Treaty Act (16 U.S.C. §§ 703 et seq.), the Bald and Golden Eagle Protection Act (16 U.S.C. §§ 668 et seq.), the Occupational Safety & Health Act of 1970, (29 U.S.C. § 651 et seq.); the Oil Pollution Act of 1990 (33 U.S.C. §§ 2701 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), and any similar or analogous state and local statutes or regulations promulgated thereunder and decisional law of any Governmental Authority, as each of the foregoing may amended or supplemented from time to time in the future, in each case to the extent applicable with respect to the property or operation to which application of the term "Environmental Laws" relates.

"Environmental Permits" has the meaning given in Section 3.1(k)(ii).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means each Person, trade or business that, together with any Acquired Company, is or was treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA.

"Estimated Adjustment Certificate" has the meaning given in Section 2.2(b)(i).

"Estimated Aggregate Net Working Capital Adjustment Amount" means the Estimated Aggregate Net Working Capital Amount, *minus* the Target Aggregate Net Working Capital Amount.

"Estimated Aggregate Net Working Capital Amount" has the meaning set forth in Section 2.2(b)(i).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exempt Wholesale Generator" means an "exempt wholesale generator" under PUHCA and applicable FERC regulations, as amended from time to time.

"Exhibits" means the exhibits attached to this Agreement.

"Existing Title Policies" means: (i) with regard to the Dixie Project, the owner title insurance policy dated September 23, 2010 issued by Fidelity National Title Insurance Company, naming the Dixie Project Company as the insured and covering the Project Site for the Dixie Project; and (ii) with regard to the Beowawe Project, the owner title insurance policy dated June 20, 2000 issued by First American Title Insurance Company naming the Beowawe Project Company as the insured and covering the Project Site for the Beowawe Project.

"Facility Employee" means each employee of TGOC whose primary duties are to provide services to the Projects.

"Facility Leases" means the three Facility Lease Agreements, each dated as of September 15, 2010, between different numbered Dixie Valley Geothermal Leasing Trusts, as lessor, and the Dixie Project Company, as lessee.

"Final Aggregate Net Working Capital Amount" has the meaning set forth in Section 2.2(b)(ii).

"FCPA" has the meaning given in Section 3.1(y) of this Agreement.

"Federal Power Act" means the Federal Power Act of 1935, as amended from time to time.

"FERC" means the Federal Energy Regulatory Commission and any successor thereto.

"Financial Statements" has the meaning given in Section 3.1(h) of this Agreement.

"Fraud" means knowing and intentional common law fraud by a Party under the Applicable Laws of the State of New York. For the avoidance of doubt, nothing in this Agreement shall limit the right of any Party to allege fraud in any action or proceeding pursuant to Section 8.10.

"Fundamental Representations" means the representations and warranties set forth, with respect to Seller, in Sections 3.1(a), 3.1(b), 3.1(c), 3.1(e), 3.1(f), and 3.1(v), and, with respect to Purchaser, in Sections 3.2(a), 3.2(b), 3.2(c), 3.2(e), and 3.2(i).

"GAAP" means generally accepted accounting principles as recognized by the American Institute of Certified Public Accountants, as in effect from time to time, consistently applied and maintained on a consistent basis for a Person throughout the period indicated and consistent with such Person's prior financial practice.

"Governmental Authority" means any governmental department, commission, board, bureau, agency, court or other instrumentality of any country, state, province, county, parish or municipality, jurisdiction, or other political subdivision thereof.

"Hazardous Substances" means (a) any hazardous materials, hazardous wastes, hazardous substances, toxic wastes, solid wastes and toxic substances as those or similar terms are defined under any Environmental Laws; (b) any friable asbestos or friable asbestos containing material; (c) polychlorinated biphenyls ("PCBs"), or PCB-containing materials or fluids; (d) radon; (e) any petroleum, petroleum hydrocarbons, petroleum products, crude oil and any fractions or derivatives thereof; (f) per- and polyfluoroalkyl substances; and (g) any other hazardous, radioactive, toxic or noxious substance, material, pollutant or contaminant that, whether by its nature or its use, is subject to regulation or giving rise to liability under any Environmental Laws.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Insurance Policies" has the meaning given in Section 3.1(m) of this Agreement.

"Intellectual Property" means any intellectual property rights, including both statutory and common law rights, and including the following: (a) copyrights, registrations and applications for registration thereof, (b) trademarks, service marks, trade names, slogans, domain names, business names, logos, trade dress and registrations and applications for registrations thereof, (c) patents, as well as any reissued and reexamined patents and extensions corresponding to the patents, and any patent applications, as well as any related continuation, continuation in part and divisional applications and patents issuing therefrom and (d) trade secrets, including ideas, designs, concepts, compilations of information, methods, techniques, procedures, processes and other know-how, whether or not patentable.

"Interests" means, with respect to any Person, shares, partnership interests (whether general or limited), limited liability company or membership interests or any other equity interest in such Person, and any other similar interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of Assets of, the issuing Person.

"Interim Period" has the meaning given in Section 4.1(a) of this Agreement.

"IRS" means the Internal Revenue Service or any successor agency.

"Issued Permits" has the meaning given in Section 3.1(l) of this Agreement.

"Knowledge" means the actual knowledge of (i) with respect to Seller, any of the individuals listed on Schedule 1.1 of the Seller Disclosure Schedule or (ii) with respect to Purchaser, any of the individuals listed on Schedule 1.1 of the Purchaser Disclosure Schedule, in each case, after reasonable inquiry within the relevant Party's organization.

"Lessor" means the Beowawe Lessor or the Dixie Lessor.

"Liability" means any liability, obligation or commitment (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due).

"Liens" means any liens, pledges, claims, security interests, easements, rights of way, mortgages, deeds of trust, restrictions on transfer, options, rights of first refusal, defects in title or other encumbrances of any kind.

"Made Available" means, with respect to any document, that such document was available in the VDR (and notification was given to Purchaser and its Representatives that such document is available in the VDR) no later than five (5) Business Days prior to the date of this Agreement and such document was not subsequently modified.

"Material Adverse Effect" means any change, event, occurrence or development that has, or would reasonably be expected to have, a material adverse effect on the business, Assets, Liabilities, condition (financial or otherwise) or results of operations of the Acquired Companies, taken as a whole, or on the ownership of the Projects or the ability of the Project Companies to operate the Projects, excluding any effect resulting from (a) changes in general industry, financial, banking or securities markets, political or regulatory conditions (including changes in the electric generating, construction, transmission or distribution industry, the wholesale or retail markets for electricity, the general state of the energy industry, including the transmission system, interest rates, or the outbreak, escalation or worsening of hostilities, terrorist activities or war), other than to the extent of any disproportionate impact on the Acquired Companies or the Projects relative to other Persons in the power generation industry generally, (b) any change in Applicable Law or regulatory policies or interpretations (including changes in Applicable Laws affecting owners and providers of electric generation, construction, transmission or distribution) or in GAAP or accounting standards, principles or interpretations, other than to the extent of any disproportionate impact on the Acquired Companies or the Projects relative to other Persons in the power generation industry generally, (c) acts of God, effects of weather or meteorological events, other than to the extent of any disproportionate impact on the Acquired Companies or the Projects relative to other Persons in the power generation industry generally, (d) strikes, work stoppages or other labor disturbances, (e) actions taken or not taken at the request of Purchaser, (f) any matter which is cured (including by the payment of money) by Seller or its Affiliates, (g) announcement of any of the Transaction Documents or the respective transactions contemplated thereby, (h) any failure to meet projections or forecasts in and of itself (it being understood that the changes, events, occurrences or developments giving rise to such failure shall be taken into account in determining whether there has been a Material Adverse Effect if not otherwise excluded by another clause of this definition), or (i) any casualty or condemnation event described in Section 4.7.

"Material Contract" means the following Contracts to which any Acquired Company is a party or subject or by which any of their respective Assets are bound: (a) any Contract for the purchase, sale, exchange or delivery of electricity, capacity, transmission services, renewable energy credits or other environmental attributes or ancillary services, (b) any Contract relating to the incurrence of any indebtedness (including the Sale Leaseback Documents), including any such Contract, lease, indenture or security under which any Acquired Company has (i) created, incurred, assumed or guaranteed any indebtedness for borrowed money or obligations under any lease that, in accordance with GAAP, should be capitalized, (ii) created a Lien on any of its Assets, (iii) advanced any amount or provided any credit to any Person in an amount in excess of $500,000 or (iv) a reimbursement obligation in respect of any Support Obligation, (c) any Contract for construction, management, operation, maintenance of a Project, (d) any product warranty or repair Contract by or with a manufacturer or vendor of equipment owned or leased by any Acquired Company with a fair market value of more than $250,000, (e) any Contract providing for the interconnection of a Project to a utility grid, (f) any Contract under which any Acquired Company is obligated to purchase, sell or lease personal property (other than sales of electric energy in the ordinary course of business consistent with past practice) having a value in excess of $250,000, (g) each Contract that grants a right or option to purchase or sell any Asset or that grants a right or option to provide or receive any services, in each case, having a value in excess of $250,000, (h) any other Contract that is expected to require payments by or to an Acquired Company, in the aggregate, of more than $250,000 in any calendar year, (i) any Affiliate Contract, (j) any Contract that restricts or purports to restrict the right of an Acquired Company to engage in any line of business or to compete with any Person or grant any exclusive rights in any market, field or territory, (k) any Contract with a Governmental Authority, (l) any Contract that is a subscription, option, purchase or sale, pledge, security, voting, shareholder or investor rights agreement with respect to, or that establishes the terms of, or that governs voting, transfer, consent, dividend, distribution or other rights or obligations of Persons owning, holding or having an interest in, the Interests of any Acquired Company, (m) any collective bargaining Contract or Contract with labor unions or representatives of employees; (n) any Contract to provide any individual base annual compensation in excess of $100,000 or severance benefits to any officer, director, employee, independent contractor, consultant or other individual; (o) any Contract which provides for the payment, increase or vesting of any benefits or compensation in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby and (p) any other contract that is material to the construction or operation of a Project or an Acquired Company.

"MBR Authority" means authorization by FERC pursuant to Section 205 of the Federal Power Act to sell electric energy, capacity or ancillary services at market-based rates, and granting such regulatory waivers and blanket authorizations as are customarily granted to persons with such authority, including blanket authorization to issue securities and assume Liabilities pursuant to Section 204 of the Federal Power Act.

"Membership Interest Assignment Agreement" means the Assignment and Assumption of Membership Interests, substantially in the form of Exhibit E, dated as of the Closing Date, by and between Purchaser and Seller.

"Multiemployer Plan" has the meaning set forth in Section 3(37) of ERISA.

"Neutral Auditor" means KPMG LLP or, if KPMG LLP is unable to serve, an impartial nationally recognized firm of independent certified public accountants other than Seller's accountants or Purchaser's accountants, mutually agreed to by Purchaser and Seller.

"NPH" has the meaning given in the Recitals.

"NPH Interests" has the meaning given in the Recitals.

"Operating Acquired Company" means any Beowawe Acquired Company or Dixie Acquired Company.

"Operating Project Company" means the Beowawe Project Company or the Dixie Project Company.

"Order" means any binding order, writ, judgment, injunction, ruling, directive, interpretation, decree, stipulation, determination or award of any Governmental Authority, whether preliminary or final.

"Overlap Period" means any taxable year or other taxable period beginning on or before and ending after the Closing Date.

"Party" means Seller and Purchaser.

"Pension Plan" means a defined benefit pension plan that is or was subject to Title IV of ERISA or Section 412 or 430 of the Code.

"Permits" has the meaning given in Section 3.1(l).

"Permitted Equity Liens" means any pledge of membership interests under the Sale Leaseback Documents and the TGPF Collateral Agreement.

"Permitted Liens" means (a) Liens for taxes not yet due and payable or that are being contested in good faith and for which appropriate accruals or reserves have been established in the Financial Statements in accordance with GAAP, (b) carriers', warehousemens', mechanics', materialmens', repairmens', employees', contractors', operators' or other similar Liens or charges securing the payment of expenses not yet due and payable that were incurred in the ordinary course of business of any Acquired Company, or which are being contested in good faith by appropriate proceedings and for which appropriate accruals or reserves have been established in the Financial Statements in accordance with GAAP, (c) obligations or duties under Permits or pursuant to Applicable Law, (d) Liens arising out of judgments or awards of any Governmental Authority so long as an appeal or proceeding for review is being prosecuted in good faith and by appropriate proceedings and for which accruals or reserves have been established in the Financial Statements in accordance with GAAP, (e) Liens and encumbrances of record and zoning and other land use restrictions, in all cases, that do not impair the value of a Project or ability of a Project to achieve commercial operations in any material respect, (f) any exceptions specified in the Existing Title Policies, (g) easements, rights-of-way, restrictions, reservations or leases (including oil and gas leases) existing as of the date of Closing, whether or not listed in the Existing Title Policies and which, individually or in the aggregate, do not materially interfere with the operation of a Project in the ordinary course of business, (h) restrictions on transfer of the Acquired Interests under the limited liability company agreements of each Acquired Company, (i) Liens under Material Contracts (other than as a result of a Default thereunder), (j) Liens under Real Property Agreements (other than as a result of a Default thereunder), and (k) Liens arising as a result of reservation of rights or actions taken by Governmental Authorities or other owners in fee simple of any Real Property (other than any Acquired Company).

"Person" means an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization or other entity.

"Post-Closing Aggregate Net Working Capital Adjustment Amount" has the meaning set forth in Section 2.2(b)(vi)

"Proposed Aggregate Net Working Capital Amount" has the meaning set forth in Section 2.2(b)(ii).

"Post-Closing Period" means any taxable year or other taxable period beginning after the Closing Date and the portion of any Overlap Period beginning after the Closing Date.

"Pre-Closing Period" means any taxable year or other taxable period ending on or prior to the Closing Date and the portion of any Overlap Period ending on and including the Closing Date.

"Projects" means the Dixie Project and the Beowawe Project.

"Project Company" means the Dixie Project Company, the Beowawe Project Company, or the Coyote Company.

"Project Company Interest" means the Interests in the Beowawe Project Company or the Dixie Project Company.

"Project Site" means the area where the Dixie Project or the Beowawe Project is located, as described on Exhibit F.

"Proposal" has the meaning given in Section 4.11 of this Agreement.

"PUHCA" means the Public Utility Holding Company Act of 2005.

"Purchase Price" has the meaning given in Section 2.3 of this Agreement.

"Purchaser" has the meaning given in the Preamble.

"Purchaser Consents" means the Consents listed on Section 3.2(c).

"Purchaser Disclosure Schedule" means the disclosure schedule delivered by Purchaser to Seller on the Effective Date.

"Purchaser Parent" has the meaning given in the Recitals.

"Purchaser Parent Guaranty" means that certain Guaranty provided by Purchaser Parent for the benefit of Seller, dated as of the date hereof, in the form attached hereto as Exhibit B, pursuant to which Purchaser Parent shall guarantee the obligations of Purchaser under this Agreement.

"Purchaser Service Company" means Ormat Nevada Inc., a Delaware corporation.

"Qualifying Facility" means a "qualifying small power production facility" as defined in Section (3)(17)(C) of the Federal Power Act and FERC's regulations implementing the Public Utility Regulatory Policies Act of 1978, as amended.

"R&W Policy" means a buyer-side representations and warranties insurance policy incepted as of the date of this Agreement.

"Real Property" means any interest in real property held by a Project Company pursuant to the Real Property Agreements.

"Real Property Agreements" has the meaning given in Section 3.1(n)(i).

"Reorganization" has the meaning given in the Recitals.

"Representatives" means, with respect to any Person, the managing member(s), officers, directors, employees, representatives or agents (including investment bankers, financial advisors, attorneys, accountants, brokers and other advisors) of such Person, to the extent that such officer, director, employee, representative or agent of such Person is acting in his or her capacity as an officer, director, employee, representative or agent of such Person.

"Sale Leaseback Documents" means the Participation Agreements (M-1, M-2, and M-3) executed on September 15, 2010 by the Dixie Project Company, as Facility Lessee, and each of the parties thereto, and each of the "Operative Documents" (as defined in such Participation Agreements).

"Schedules" means the Seller Disclosure Schedule or the Purchaser Disclosure Schedule, as the context requires.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" has the meaning given in the Preamble.

"Seller Consents" means the Consents listed on Schedule 3.1(c) that are marked with an asterisk (*).

"Seller Disclosure Schedule" means the disclosure schedule delivered by Seller to Purchaser on the Effective Date.

"Seller Marks" has the meaning given in Section 4.9 of this Agreement.

"Seller Parent" has the meaning given in the Recitals.

"Seller Parent Guaranty" means that certain Guaranty provided by Seller Parent for the benefit of Purchaser, dated as of the date hereof, in the form attached hereto as Exhibit A, pursuant to which Seller Parent shall guarantee the obligations of Seller under this Agreement.

"Service Employees" means those personnel of TGOC who are providing or who have provided services relating to the Projects, who are not contemplated to be Facility Employees and who Purchaser and Seller mutually agree shall continue in the same role following Closing as employees of TGOC.

"Subsidiary" of any Person means any other Person of which such first Person (either alone or through or together with any other Subsidiary) owns or Controls, directly or indirectly, at least fifty percent (50%) of the Interests in such other Person having the right to vote or designate management of such other Person.

"Support Obligations" means the credit support obligations provided by Seller or its Affiliates (other than the Acquired Companies, including any guarantees, letters of credit, cash collateral, indemnities, performance or surety bonds, pledges, deposits or other similar commitments, to which the Acquired Companies or a Project is subject, or which have been issued for its or their benefit.

"Support Obligation Termination Documentation" has the meaning given in Section 4.8(b) of this Agreement.

"Surviving Covenants" has the meaning given in Section 7.1 of this Agreement.

"Target Aggregate Net Working Capital Amount" means $2,281,000.

"Tax" (and, with correlative meaning, "Taxes" and "Taxable") means any taxes, customs, duties, charges, fees, levies, penalties or other assessments, fees and other governmental charges imposed by any Governmental Authority, including income, profits, gross receipts, net proceeds, windfall profit, severance, property, unclaimed property, personal property (tangible and intangible) production, sales, use, leasing or lease, license, excise, duty, franchise, business license, service, utility, royalty, documentary or other taxes, abatements, recapture, credit, capital stock, net worth, employment, occupation, payroll, withholding, social security (or similar), unemployment, disability, payroll, fuel, excess profits, occupational, premium, estimated, alternative or add-on minimum, ad valorem, value added, turnover, transfer, stamp or environmental tax, or any other tax, custom, duty, fee, levy or other like assessment or charge of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount attributable thereto.

"Tax Matter" has the meaning given in Section 5.1(f) of this Agreement.

"Tax Returns" means any report, form, return, statement or other information (including any amendments) required to be supplied to a Governmental Authority by a Person with respect to Taxes, including information returns, any amendments thereof or schedule or attachment thereto and any documents with respect to or accompanying requests for the extension of time in which to file any such report, return, document, declaration or other information.

"Termination Date" has the meaning given in Section 6.1(a) of this Agreement.

"TGOC" means Terra-Gen Operating Company, LLC, a Delaware limited liability company.

"TGPF Collateral Agreement" means that certain Collateral Agreement among TG Portfolio Finance, LLC, NPH, Beowawe Binary Holdings, certain other Affiliates of Terra-Gen, LLC, and Wells Fargo Bank, NA, as Administrative Agent, dated September 6, 2019.

"Transaction Documents" means this Agreement, the Membership Interest Assignment Agreement, the Affiliate Release, the Purchaser Parent Guaranty, the Seller Parent Guaranty and each of the other documents and certificates required to be executed and/or delivered prior to or on the Closing Date hereunder, individually and collectively.

"Transfer Taxes" has the meaning given in Section 5.1(e) of this Agreement.

"Transferred Employee" has the meaning given in Section 4.5(d) of this Agreement.

"Treasury Regulations" means the regulations promulgated under the Code by the U.S. Department of the Treasury, as such regulations may be amended from time to time.

"VDR" means the virtual data room established on Venue on behalf of Seller and the Acquired Companies in connection with the transactions contemplated by this Agreement and the other Transaction Documents.

OTHER DEFINITIONAL PROVISIONS

All terms in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

As used in this Agreement and in any certificate or other documents made or delivered pursuant hereto, accounting terms not defined herein or in any such certificate or other document, and accounting terms partly defined herein or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under GAAP.

The words “hereof”, “herein”, “hereunder”, and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term “including” shall mean “including without limitation”.

The word “or” has the inclusive meaning represented by the phrase “and/or”.

The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

Any references to a Person are also to its permitted successors and assigns.

All Article and Section titles or captions contained in this Agreement or in any Exhibit or Schedule referred to therein and the table of contents of this Agreement are for convenience only and shall not be deemed a part of this Agreement or affect the meaning or interpretation of this Agreement. Unless otherwise specified, all references in this Agreement to numbered Articles and Sections are to Articles and Sections of this Agreement and all references herein to Schedules or Exhibits are to Schedules and Exhibits to this Agreement.

Unless otherwise specified, any references to any Contract (including this Agreement) or Applicable Law shall be deemed to be references to such Contract or Applicable Law as amended, supplemented or modified from time to time in accordance with its terms and the terms hereof, as applicable, and in effect at any given time (and, in the case of any Applicable Law, to any successor provisions).

Unless otherwise specified, any reference to any federal, state or local statute or Applicable Law shall be deemed also to refer to all rules and regulations promulgated thereunder.

Any reference in this Agreement to a “day” or a number of “days” (without explicit reference to “Business Days”) shall be interpreted as a reference to a calendar day or number of calendar days. If any action is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action may be deferred until the next Business Day.

Unless otherwise specified, all references contained in this Agreement, in any Exhibit or Schedule referred to herein or in any instrument or document delivered pursuant hereto to dollars or “$” shall mean United States dollars.

The Parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the respective Parties thereto and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Exhibit A

Form of Seller Parent Guaranty

SELLER PARENT GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of May 21, 2021 (the "**Effective Date**"), is made by Terra-Gen Power Holdings II, LLC, a Delaware limited liability company ("**Guarantor**"), in favor of Deer Holdings, LLC, a Delaware limited liability company ("**Purchaser**").

RECITALS:

A. WHEREAS, Purchaser and TG Geothermal Portfolio, LLC, a Delaware limited liability company ("**Obligor**") have entered into that certain Agreement for Purchase of Membership Interests dated as of May 21, 2021 (the "**Agreement**");

B. WHEREAS, Obligor is an indirect subsidiary of Guarantor;

C. WHEREAS, Guarantor will directly and indirectly benefit from the Agreement and the transactions contemplated thereby; and

D. WHEREAS, Purchaser requires as a condition to entering into the Agreement that Guarantor agrees to guaranty hereunder, for the benefit of Purchaser and its successors and assigns, the full and timely payment of the Guaranteed Obligations (as hereinafter defined);

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for Purchaser's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of Purchaser as follows:

1. GUARANTY.

(a) Subject to the terms and provisions hereof, from and after the Effective Date through the Termination Date, Guarantor hereby absolutely, unconditionally and irrevocably guarantees the timely and complete payment, when due, without duplication, of Obligor's obligation to pay to Purchaser the absolute value of the Post-Closing Aggregate Net Working Capital Adjustment Amount pursuant to Section 2.2(b)(vi) of the Agreement (the "**Guaranteed Obligations**"). This Guaranty shall constitute a continuing guarantee of payment of the Guaranteed Obligations, but not of collection.

(b) Guarantor is liable for the timely and complete payment of the Guaranteed Obligations, as set forth in this Guaranty, as a primary obligor. Without waiving any of Guarantor's rights hereunder, this Guaranty is effective as a waiver of, and Guarantor hereby expressly waives, any and all defenses and other rights to which Guarantor may otherwise have been entitled under any applicable suretyship laws in effect from time to time.

(c) No exculpatory language contained in any of the other Transaction Documents shall in any event or under any circumstances modify, qualify or affect the obligations and liabilities of Guarantor hereunder, except to the extent expressly set forth herein. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to the Guaranteed Obligations arising or created after any attempted revocation by Guarantor. It is the intent of Guarantor and Purchaser that, subject to the terms of this Guaranty, including *Section 2*, (i) the obligations and liabilities of Guarantor hereunder are absolute and unconditional under any and all circumstances and (ii) so long as any portion of the Guaranteed Obligations shall be outstanding, the obligations and liabilities of Guarantor hereunder shall not be discharged or released in whole or in part, by any act or occurrence (including the fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced) that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of Guarantor.

(d) Except as provided in *Section 2(b)* or to the extent of any set-off, offset, claim or defense expressly provided for in this Guaranty, the Guaranteed Obligations and the liabilities and obligations of Guarantor to Purchaser hereunder shall not be reduced, discharged or released because or by reason of any existing or future set-off, offset, claim or defense of any kind or nature that any of Obligor, Guarantor or any other Person has or may hereafter have against Purchaser or against payment of the Guaranteed Obligations.

(e) The obligations of Guarantor under this Guaranty are independent of the Guaranteed Obligations, and a separate Action or Actions may be brought and prosecuted against Guarantor to enforce this Guaranty, irrespective of whether any Action is brought against Obligor or whether Obligor is joined in any such Action or Actions.

2. **LIMITATIONS.** Notwithstanding the foregoing or anything else in this Guaranty to the contrary, the obligations and liabilities of Guarantor under this Guaranty shall be subject to the following limitations:

(a) The maximum aggregate monetary liability of Guarantor under this Guaranty, and the maximum monetary recovery from Guarantor under this Guaranty shall in no event exceed the aggregate amount of payments owing by Obligor with respect to the Guaranteed Obligations, plus any out of pocket costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by Purchaser in enforcing Guarantor's obligations hereunder if it is ultimately determined that the Guarantor is liable for the Guaranteed Obligations.

(b) The obligation and liability of Guarantor under this Guaranty is specifically limited to payments in respect of the Guaranteed Obligations required to be made by Obligor under the Agreement, subject to any and all rights, set-offs, offsets, claims, counterclaims, limitations, qualifications and other defenses, solely to the extent that each of the foregoing are available to Obligor under the Agreement, other than those described in *Section 8* (collectively, the "**Waived Defenses**").

(c) To the extent Obligor is relieved of all or any portion of the Guaranteed Obligations by satisfaction thereof (including, without limitation, by any payment hereunder) or pursuant to any express written agreement with Obligor, Guarantor shall be similarly relieved, to such extent, of its obligations under this Guaranty.

(d) Guarantor has no obligation or liability to any Person relating to, arising out of or in connection with this Guaranty or the Agreement or any other Transaction Documents, other than as expressly set forth herein.

(e) This Guaranty may not be enforced without first giving full effect to the limitations contained herein.

3. DEMANDS AND PAYMENT.

(a) If Obligor fails to completely and promptly pay or perform any Guaranteed Obligation to Purchaser when such Guaranteed Obligation is finally determined to be due and owing under the Agreement (an "**Overdue Obligation**"), Guarantor shall, promptly (and in any event within two (2) Business Days) upon demand by Purchaser (a "**Payment Demand**") and without any other notice whatsoever, pay the amount due thereon to Purchaser or, as applicable, perform such Overdue Obligation(s). Amounts not paid when due hereunder shall accrue interest in accordance with *Section 13(j)* hereof.

(b) Guarantor's obligation hereunder to pay or perform any particular Overdue Obligation(s) to Purchaser is conditioned upon Guarantor's receipt of a Payment Demand from Purchaser satisfying the following requirements: (i) such Payment Demand must be delivered to Guarantor in accordance with *Section 12* below; and (ii) the specific Overdue Obligation(s) or any portion thereof addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.

(c) So long as Purchaser has validly made a Payment Demand in accordance with the requirements specified in Section 3(b), it shall not be necessary for Purchaser, in order to enforce such payment or performance by Guarantor specified in such Payment Demand (and Guarantor hereby waives any rights that Guarantor may have to require Purchaser), to separately take any action, obtain any judgment or file any claim prior to enforcing this Guaranty, including to institute suit or pursue or exhaust any rights or remedies against Obligor or others liable for such payment or for such performance, or to join Obligor for the payment or performance of the Guaranteed Obligations or any part thereof in any Action to enforce this Guaranty, or to resort to any other means of obtaining payment or performance of the Guaranteed Obligations. Subject to Purchaser's obligations in the Agreement, Purchaser shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations hereunder.

(d) Suit may be brought or demand may be made against Obligor or Guarantor, separately or together, without impairing the rights of Purchaser against any party hereto. Any time that Purchaser is entitled to exercise its rights or remedies hereunder, it may in its discretion elect to demand payment or payment in lieu of performance, all to the extent of its right to so elect under the terms of the Agreement. Subject to Section 10 hereof, if Purchaser makes a Payment Demand hereunder, such election shall not affect Purchaser's right to demand payment thereafter under, and in accordance with the terms of, the Agreement, until all of the Guaranteed Obligations have been paid and performed in full.

(e) After validly issuing a Payment Demand in accordance with the requirements specified in *Section 3(b)*, Purchaser shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand.

4. **REPRESENTATIONS AND WARRANTIES.** Guarantor hereby represents and warrants that:

(a) it is a limited liability company duly formed and validly existing under the laws of the State of Delaware and has the limited liability company power and authority to execute, deliver and carry out the terms and provisions of this Guaranty;

(b) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty;

(c) this Guaranty has been duly authorized, executed and delivered by Guarantor and constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting enforcement of creditors' rights and remedies generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity);

(d) Guarantor has not entered into this Guaranty with the actual intent to hinder, delay or defraud any creditor. Guarantor received reasonably equivalent value in exchange for the Guaranteed Obligations. Guarantor is not presently insolvent, and the execution and delivery of this Guaranty will not render Guarantor insolvent;

(e) the execution and delivery of this Guaranty and the performance of the obligations hereunder do not and will not (i) conflict with or violate any existing Applicable Laws affecting Guarantor or any of its assets or property, (ii) conflict with, result in a breach of, or constitute a default (including any circumstance or event that would be a default but for the lack of due notice or lapse of time or both) under (A) any of the terms, conditions or provisions of any of Guarantor's organizational documents or (B) any material agreement or instrument to which Guarantor is a party, or by which Guarantor or its assets or property are bound which would reasonably be expected to materially and adversely affect the performance of Guarantor's obligations and duties under this Guaranty or (iii) result in the creation or imposition of any Lien on any of Guarantor's assets or property which would reasonably be expected to materially and adversely affect the performance of Guarantor's obligations and duties under this Guaranty;

(f) there is no action, suit, proceeding, arbitration or investigation pending or, to the best of Guarantor's knowledge, threatened against Guarantor in any court or by or before any other Governmental Authority, in each case, which would reasonably be expected to materially and adversely affect the performance of Guarantor's obligations and duties under this Guaranty;

(g) Guarantor is not in default or violation of any regulation, order, writ, injunction, decree or demand of any Governmental Authority, the violation or default of which would reasonably be expected to materially and adversely affect the condition (financial or otherwise) of Guarantor or would reasonably be expected to materially and adversely affect its performance hereunder;

(h) except as provided herein, this Guaranty and the obligations of Guarantor hereunder are not subject to, and Guarantor has not asserted, any right of rescission, offset, counterclaim, cross-claim, recoupment or affirmative or other defense of any kind and neither the operation of any of the terms of this Guaranty nor the exercise of any right hereunder will render this Guaranty unenforceable in whole or in part;

(i) Guarantor is contemplating neither the filing of a petition under any state or federal bankruptcy or insolvency laws nor the liquidation of its assets or property and Guarantor does not have any knowledge (after due and diligent inquiry) of any Person contemplating the filing of any such petition against it; and

(j) all representations and warranties made by Guarantor herein are made as of the date hereof but shall survive the execution hereof.

5. **SUBROGATION.** Guarantor shall not exercise any rights which it may acquire by way of subrogation, by any payment made under this Guaranty, until the Guaranteed Obligations have been paid or performed in full. If any amount is paid to Guarantor on account of subordination rights under this Guaranty at any time when the Guaranteed Obligations have not been paid in full, the amount shall be held in trust by Guarantor for the benefit of Purchaser and shall be promptly, but in any event within two (2) Business Days, paid to Purchaser to be credited and applied to the Guaranteed Obligations, whether matured or unmatured or absolute or contingent. If Guarantor shall make, or cause to be made, payment to Purchaser of all or any part of the Guaranteed Obligations, upon satisfaction in full of the Guaranteed Obligations, Purchaser will, at Guarantor's reasonable request, execute and deliver to Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to Guarantor of an interest in the Guaranteed Obligations resulting from such payment by Guarantor; provided that any rights of Guarantor pursuant to this *Section 5* shall be subordinate to all obligations of Obligor to Purchaser under the Agreement.

6. **AMENDMENT OF GUARANTY.** No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and Purchaser.

7. **WAIVERS AND CONSENTS**. Subject to and in accordance with the terms and provisions of this Guaranty:

(a) Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any Action be brought against Obligor or any other Person, or to require that Purchaser seek enforcement of any performance against Obligor or any other Person, prior to any Action against Guarantor under the terms hereof.

(b) Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, Purchaser may: (i) change the manner, place or terms for payment or performance of all or any of the Guaranteed Obligations (including renewals, extensions or other alterations of the Guaranteed Obligations); (ii) release Obligor or any Person (other than Guarantor) from liability for payment of all or any of the Guaranteed Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Guaranteed Obligations.

8. **NO EFFECT ON GUARANTY.** Subject to the terms of this Guaranty, (x) Guarantor shall remain liable for the Guaranteed Obligations, or any part thereof, for any reason (and regardless of any joinder of Obligor or any other party in any Action to obtain payment or performance of any or all of the Guaranteed Obligations) described in this *Section 8*, (y) the obligations of Guarantor under this Guaranty shall not be altered, limited, impaired or otherwise affected by, nor shall Guarantor be exonerated, discharged or released (by virtue of any law, rule, arrangement or relationship) by, any one or more of the following events, actions, facts, or circumstances described in this *Section 8*, and (z) the liability of Guarantor under this Guaranty shall be absolute and unconditional irrespective of, and Guarantor waives, any common law, equitable, statutory or other similar extra-contractual rights (including rights to notice) or defenses that Guarantor might now or hereafter have as a result of or in connection with any or all of the following:

(a) the taking or accepting of any other security or guaranty for, or right of recourse with respect to, any or all of the Guaranteed Obligations, to the extent such taking or acceptance does not discharge the Guaranteed Obligations;

(b) whether express or by operation of any statute, regulation or rule of law, or otherwise, any limitation, discharge, cessation or partial release of the liability of Guarantor hereunder, other than as expressly provided herein;

(c) without limiting any right of Guarantor to assert set-offs, offsets, claims, counterclaims, limitations, qualifications and other defenses, solely to the extent each of the foregoing are available to Obligor, with respect to the Guaranteed Obligations, either with or without notice to or consent of Guarantor, any valid renewal, extension, modification, supplement, subordination or rearrangement of the terms of any or all of the Guaranteed Obligations (other than this Guaranty), including, without limitation, material alterations of the terms of payment or performance or any other terms thereof;

(d) any neglect, lack of diligence, delay, omission, failure, or refusal of Purchaser to take or prosecute (or in taking or prosecuting) any action for the collection or enforcement of any of the Guaranteed Obligations;

(e) if for any reason Purchaser is required to refund any payment by Obligor or pay the amount thereof, in each case, to a Person other than Obligor or Guarantor;

(f) the existence of any claim, set-off, or other right that Guarantor may at any time have against Purchaser, Obligor, or any other person, in each case, if arising outside of the Agreement or this Guaranty;

(g) any lack of validity or enforceability of all or any part of the Agreement or the lack of validity or enforceability of all or any part of the Guaranteed Obligations in accordance with the terms of the Agreement against Obligor for any reason whatsoever, including (i) the officers or persons creating the Guaranteed Obligations acted in excess of their authority or because of a lack of validity or enforceability or of defect or deficiency in the Agreement, other Transaction Document or any other document or agreement executed in connection with the creating of the Guaranteed Obligations, or any part thereof, (ii) the act of creating the Guaranteed Obligations, or any part thereof, is ultra vires, (iii) the Obligor's obligations cease to exist by operation of law or (iv) any of the Transaction Documents or any other document or agreement executed in connection with the Guaranteed Obligations, or any part thereof, has been forged or otherwise are irregular or not genuine or authentic, in each case with respect to *clause (iv)* solely as a result of the action of Obligor or its Affiliates;

(h) any change, whether direct or indirect, in Guarantor's relationship to Obligor, including any such change by reason of restructuring or termination of the corporate structure or existence of Obligor or any of its subsidiaries, any merger or consolidation or any sale, transfer, issuance, spin-off, distribution or other disposition of any stock, equity interest or other security of Obligor, Guarantor or any other entity;

(i) any proceeding, voluntary or involuntary, involving bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Obligor or any defense which Obligor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding;

(j) any other act or omission that may or might in any manner or to any extent vary the risk of Guarantor or that may or might otherwise operate as a discharge of Guarantor as a matter of law or equity, other than (i) the payment in full of all the Guaranteed Obligations or (ii) as expressly set forth this Guaranty; and

(k) any other circumstance that might otherwise constitute a legal or equitable discharge or defense of a guarantor generally, it being the unambiguous and unequivocal intention of Guarantor and Purchaser that the liability of Guarantor hereunder shall be direct and immediate in accordance with the terms hereof and that Guarantor shall be obligated to pay the Guaranteed Obligations when due hereunder.

9. REINSTATEMENT. In the event any payment by Obligor or any other person to Purchaser is rescinded or otherwise held to constitute a preference, fraudulent transfer or other voidable payment under any bankruptcy, insolvency or similar law, or if for any other reason Purchaser is required to refund such payment or pay the amount thereof to any other party, such payment by Obligor or any other party to Purchaser shall not constitute a release of Guarantor from any liability hereunder, and this Guaranty shall continue to be effective or shall be reinstated (notwithstanding any prior release, surrender or discharge by Purchaser of this Guaranty or of Guarantor), as the case may be, with respect to, and this Guaranty shall apply to, any and all amounts so refunded by Purchaser or paid by Purchaser to another person (which amounts shall constitute part of the Guaranteed Obligations), and any interest paid by Purchaser and any attorneys' fees, costs and expenses paid or incurred by Purchaser in connection with any such event. It is the intent of Guarantor and Purchaser that the obligations and liabilities hereunder are, subject to the terms of this Guaranty, absolute and unconditional under any and all circumstances and that until the Guaranteed Obligations are fully and finally paid and performed or this Guaranty terminates in accordance with its terms, the obligations and liabilities of Guarantor hereunder shall not be discharged or released, in whole or in part, by any act or occurrence that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of Guarantor.

10. **NO DUPLICATION**. Notwithstanding any other provision of this Guaranty, in no event shall (a) Purchaser be entitled to recover any amounts hereunder with respect to any Guaranteed Obligation to the extent Purchaser or its Affiliates has recovered such amounts under the Agreement or any Transaction Document or (b) there be any duplication of payments or recovery by Purchaser or its Affiliates under different provisions of this Guaranty, or under any provision of this Guaranty and any provision of the Agreement or any Transaction Document.

11. **TERMINATION.** This Guaranty and Guarantor's obligations hereunder will terminate automatically and immediately upon the earlier to occur of: (i) the satisfaction of all Guaranteed Obligations in full if the Post-Closing Aggregate Net Working Capital Adjustment Amount is less than the Estimated Aggregate Net Working Capital Adjustment Amount; and (ii) the date the Final Aggregate Net Working Capital Amount is finally determined if the Post-Closing Aggregate Net Working Capital Adjustment Amount is greater than the Estimated Aggregate Net Working Capital Adjustment Amount; provided that notwithstanding the foregoing, in the event that Purchaser, any of its Affiliates or any of their respective Representatives asserts, in oral argument before any Governmental Authority or in writing, in any Action that any of the provisions of *Section 2* hereof are illegal, invalid or unenforceable in whole or in part, then this Guaranty shall immediately terminate and the obligations and liability of Guarantor under this Guaranty shall terminate and be of no further force and effect. The date that this Guaranty terminates is referred to herein as the "**Termination Date**." Upon any termination of this Guaranty, and from and after the Termination Date, Guarantor shall have no further obligation or liability under this Guaranty or in respect of any Guaranteed Obligations, provided that notwithstanding any termination of this Guaranty, (x) any defenses or limitations on liability available to Guarantor (but not, for the avoidance of doubt, any obligation or liability of Guarantor) under the terms of this Guaranty shall survive any termination of this Guaranty and the Termination Date and (y) if this Guaranty is terminated other than pursuant to the proviso in the first sentence of this *Section 11*, the rights of Purchaser under this Guaranty shall remain in full force and effect with regard to (but solely to the extent of) any claim made hereunder prior to such Termination Date until the final resolution of such claim and Guarantor's performance of any obligations hereunder with regard thereto.

12. **NOTICE.** Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "**Notice**") by Purchaser to Guarantor, or by Guarantor to Purchaser, as applicable, shall be in writing and may be delivered either by (a) U.S. certified mail with postage prepaid and return receipt requested, or (b) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or Purchaser, as applicable, to the other in accordance with the requirements of this *Section 12*):

TO GUARANTOR:	*TO PURCHASER:*
c/o Terra-Gen, LLC 437 Madison Avenue, Suite 22-A New York, New York 10022 Attention: Chief Financial Officer	c/o Ormat Technologies, Inc. 6140 Plumas Street Reno, Nevada 89519 Attention: Legal Department
with a copy to: Reed Smith LLP 506 Carnegie Center Princeton, New Jersey 08540 Attention: Henry R. King	with a copy to: Norton Rose Fulbright US LLP 799 9th Street NW, Suite 1000 Washington, DC 20001 Attention: Noam Ayali

Any Notice given in accordance with this *Section 12* will (a) if delivered or refused to be accepted for delivery during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (b) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery or refusal to accept delivery .

13. MISCELLANEOUS.

(a) Capitalized terms used but not defined in this Guaranty shall have the meanings given to such terms in the Agreement.

(b) This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by Purchaser and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of Purchaser. Purchaser may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor. Notwithstanding the foregoing or anything that may be expressed or implied in this Guaranty, Purchaser, by its acceptance of the benefits hereof, covenants, agrees and acknowledges that: (i) notwithstanding the fact that Guarantor may be a partnership or a limited liability company, no Person other than Guarantor shall have any obligation or liability hereunder, and that it has no rights of recovery in respect hereof against, no recourse in respect hereof shall be had against, and no personal liability in respect hereof shall attach to, any former, current or future Affiliate, general or limited partner, member, equity-holder, Representative, director, officer, agent, manager, assignee or employee of Guarantor or of Obligor or of any Affiliate thereof (other than Guarantor), or any of their respective successors or permitted assignees (excluding Obligor and Guarantor and any of the successors and assignees of Obligor and Guarantor, collectively, "**Guarantor Affiliates**"), whether by or through attempted piercing of the "corporate veil," by or through a claim (whether in tort, contract or otherwise) by or on behalf of Obligor against any Guarantor Affiliate, by the enforcement of any judgment, fine or penalty or by any legal or equitable proceeding, or by virtue of any statute, regulation or other Applicable Law, or otherwise; (ii) the only rights of recovery that Purchaser has against any Guarantor Affiliate in respect of the Transaction Documents or the transactions contemplated thereby are against (x) any Guarantor Affiliate, to the extent any such Guarantor Affiliate is a named party duly executing and delivering a Transaction Document and then only under and to the extent expressly provided in such Transaction Document, (y) Obligor, under and to the extent expressly provided in the Transaction Documents (other than this Guaranty), or (z) Guarantor, under and to the extent expressly provided in this Guaranty; (iii) Purchaser shall not, directly or indirectly, institute, and shall cause its Affiliates and its and their respective Representatives not to, directly or indirectly institute, any proceeding or bring any claim (whether in tort, contract or otherwise) in connection with the Guaranteed Obligations, this Guaranty, the Agreement or any other Transaction Documents (or any of the respective transactions contemplated by any of the foregoing) against Guarantor, Obligor or any Guarantor Affiliate other than as contemplated in *clause (ii)* and (iv) nothing set forth in this Guaranty shall affect or be construed to affect or be construed to confer or give any Person (including any Person acting in a representative capacity) any rights or remedies against any Person other than Guarantor as expressly set forth herein.

(c) This Guaranty constitutes the entire agreement and understanding between Guarantor and Purchaser and supersedes all prior agreements and understandings with respect to the subject matter hereof.

(d) The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders.

(e) Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES OR PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY, NEW YORK WITH RESPECT TO ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT HAND DELIVERED OR SENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN NEW YORK WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY OF THE AFOREMENTIONED COURTS AND HEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(g) Guarantor acknowledges that it has been advised by its counsel with respect to the Agreement and the transactions evidenced hereunder.

(h) Time is of the essence in this Guaranty with respect to all of Guarantor's obligations hereunder.

(i) Guarantor, at Guarantor's expense, agrees to take all such further actions and execute, acknowledge and deliver, upon Purchaser's request, all such further documents that are necessary or useful in carrying out the purposes of this Guaranty.

(j) Guarantor agrees to pay interest on any expenses or other sums due to Purchaser under this Guaranty that are not paid when due hereunder, at a rate per annum equal to the prime rate as stated in The Wall Street Journal plus two percent (2%). All sums payable under this Guaranty shall be paid in immediately available funds in United States dollars.

(k) No failure on the part of Purchaser to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

(l) This Guaranty and any documents or information delivered hereunder shall be treated as confidential and are being provided to Purchaser solely in connection with the Agreement. This Guaranty and any such documents or information may not be disclosed to any Person or used, circulated, quoted or otherwise referred to in any document (other than the Agreement and the Transaction Documents), except with the written consent of Guarantor; provided that Purchaser may disclose this Guaranty (i) to its officers, directors, advisors and other authorized Representatives, (ii) to the extent required by Applicable Laws or (iii) to the extent reasonably necessary to enforce this Guaranty.

(m) This Guaranty may be executed and delivered (including by facsimile or electronically mailed .pdf transmission) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party, it being understood that the parties hereto need not sign the same counterpart. Signatures of the parties hereto transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

* * *

IN WITNESS WHEREOF, each of the parties hereto have caused this Guaranty to be executed and delivered on its behalf as of the date first written above.

TERRA-GEN POWER HOLDINGS II, LLC

By: _____
Name: _____
Title: _____

DEER HOLDINGS, LLC

By: _____
Name: _____
Title: _____

Exhibit B

Form of Purchaser Parent Guaranty

PURCHASER PARENT GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of May 21 2021 (the "**Effective Date**"), is made by Ormat Technologies, Inc., a Delaware corporation ("**Guarantor**"), in favor of TG Geothermal Portfolio, LLC, a Delaware limited liability company ("**Seller**").

RECITALS:

A. WHEREAS, Seller and Deer Holdings, LLC, a Delaware limited liability company ("**Obligor**"), have entered into that certain Agreement for Purchase of Membership Interests dated as of May 21, 2021 (the "**Agreement**");

B. WHEREAS, Obligor is an indirect subsidiary of Guarantor;

C. WHEREAS, Guarantor will directly and indirectly benefit from the Agreement and the transactions contemplated thereby; and

D. WHEREAS, Seller requires as a condition to entering into the Agreement that Guarantor agrees to guaranty hereunder, for the benefit of Seller and its successors and assigns, the full and timely payment of the Guaranteed Obligations (as hereinafter defined);

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for Seller's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of Seller as follows:

1. GUARANTY.

(a) Subject to the terms and provisions hereof, from and after the Effective Date through the Termination Date, Guarantor hereby absolutely, unconditionally and irrevocably guarantees the timely and complete payment and performance, when due, without duplication, of all obligations owing by Obligor to Seller pursuant to the Agreement (the "**Guaranteed Obligations**"). This Guaranty shall constitute a continuing guarantee of payment and performance of the Guaranteed Obligations, but not of collection.

(b) Guarantor is liable for the timely and complete (i) payment and (ii) performance of the Guaranteed Obligations, as set forth in this Guaranty, as a primary obligor. Without waiving any of Guarantor's rights hereunder, this Guaranty is effective as a waiver of, and Guarantor hereby expressly waives, any and all defenses and other rights to which Guarantor may otherwise have been entitled under any applicable suretyship laws.

(c) No exculpatory language contained in any of the other Transaction Documents shall in any event or under any circumstances modify, qualify or affect the obligations and liabilities of Guarantor hereunder, except to the extent expressly set forth herein. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to the Guaranteed Obligations arising or created after any attempted revocation by Guarantor. It is the intent of Guarantor and Seller that, subject to the terms of this Guaranty, including *Section 2*, (i) the obligations and liabilities of Guarantor hereunder are absolute and unconditional under any and all circumstances and (ii) so long as any portion of the Guaranteed Obligations shall be outstanding, the obligations and liabilities of Guarantor hereunder shall not be discharged or released in whole or in part, by any act or occurrence (including the fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced) that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of Guarantor.

(d) Except as provided in *Section 2(b)* or to the extent of any set-off, offset, claim or defense expressly provided for in this Guaranty, the Guaranteed Obligations and the liabilities and obligations of Guarantor to Seller hereunder shall not be reduced, discharged or released because or by reason of any existing or future set-off, offset, claim or defense of any kind or nature that any of Obligor, Guarantor or any other Person has or may hereafter have against Seller or against payment of the Guaranteed Obligations.

(e) The obligations of Guarantor under this Guaranty are independent of the Guaranteed Obligations, and a separate Action or Actions may be brought and prosecuted against Guarantor to enforce this Guaranty, irrespective of whether any Action is brought against Obligor or whether Obligor is joined in any such Action or Actions.

2. **LIMITATIONS**. Notwithstanding the foregoing or anything else in this Guaranty to the contrary, the obligations and liabilities of Guarantor under this Guaranty shall be subject to the following limitations:

(a) The maximum aggregate monetary liability of Guarantor under this Guaranty, and the maximum monetary recovery from Guarantor under this Guaranty shall in no event exceed the aggregate amount of payments owing by Obligor with respect to the Guaranteed Obligations, plus any out of pocket costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by Seller in enforcing Guarantor's obligations hereunder if it is ultimately determined that the Guarantor is liable for the Guaranteed Obligations.

(b) The obligation and liability of Guarantor under this Guaranty is specifically limited to payments in respect of the Guaranteed Obligations required to be made by Obligor under the Agreement, subject to any and all rights, set-offs, offsets, claims, counterclaims, limitations, qualifications and other defenses, solely to the extent that each of the foregoing are available to Obligor under the Agreement, other than those described in *Section 8* (collectively, the "**Waived Defenses**").

(c) To the extent Obligor is relieved of all or any portion of the Guaranteed Obligations by satisfaction thereof (including, without limitation, by any payment hereunder) or pursuant to any express written agreement with Obligor, Guarantor shall be similarly relieved, to such extent, of its obligations under this Guaranty.

(d) Guarantor has no obligation or liability to any Person relating to, arising out of or in connection with this Guaranty or the Agreement or any other Transaction Documents, other than as expressly set forth herein.

(e) This Guaranty may not be enforced without first giving full effect to the limitations contained herein.

3. DEMANDS AND PAYMENT.

(a) If Obligor fails to completely and promptly pay or perform any Guaranteed Obligation to Seller when such Guaranteed Obligation is finally determined to be due and owing under the Agreement (an "**Overdue Obligation**"), Guarantor shall, promptly (and in any event within two (2) Business Days) upon demand by Seller (a "**Payment Demand**") and without any other notice whatsoever, pay the amount due thereon to Seller or, as applicable, perform such Overdue Obligation(s). Amounts not paid when due hereunder shall accrue interest in accordance with *Section 13(j)* hereof.

(b) Guarantor's obligation hereunder to pay or perform any particular Overdue Obligation(s) to Seller is conditioned upon Guarantor's receipt of a Payment Demand from Seller satisfying the following requirements: (i) such Payment Demand must be delivered to Guarantor in accordance with *Section 12* below; and (ii) the specific Overdue Obligation(s) or any portion thereof addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.

(c) So long as Seller has validly made a Payment Demand in accordance with the requirements specified in Section 3(b), it shall not be necessary for Seller, in order to enforce such payment or performance by Guarantor specified in such Payment Demand (and Guarantor hereby waives any rights that Guarantor may have to require Seller), to separately take any action, obtain any judgment or file any claim prior to enforcing this Guaranty, including to institute suit or pursue or exhaust any rights or remedies against Obligor or others liable for such payment or for such performance, or to join Obligor for the payment or performance of the Guaranteed Obligations or any part thereof in any Action to enforce this Guaranty, or to resort to any other means of obtaining payment or performance of the Guaranteed Obligations. Subject to Seller's obligations in the Agreement, Seller shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations hereunder.

(d) Suit may be brought or demand may be made against Obligor or Guarantor, separately or together, without impairing the rights of Seller against any party hereto. Any time that Seller is entitled to exercise its rights or remedies hereunder, it may in its discretion elect to demand payment or payment in lieu of performance, all to the extent of its right to so elect under the terms of the Agreement. Subject to Section 10 hereof, if Seller makes a Payment Demand hereunder, such election shall not affect Seller's right to demand payment thereafter under, and in accordance with the terms of, the Agreement, until all of the Guaranteed Obligations have been paid and performed in full.

(e) After validly issuing a Payment Demand in accordance with the requirements specified in *Section 3(b)*, Seller shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand.

4. **REPRESENTATIONS AND WARRANTIES.** Guarantor hereby represents and warrants that:

(a) it is a corporation duly incorporated and validly existing under the laws of the State of Delaware and has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Guaranty;

(b) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty;

(c) this Guaranty has been duly authorized, executed and delivered by Guarantor and constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting enforcement of creditors' rights and remedies generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity);

(d) Guarantor has not entered into this Guaranty with the actual intent to hinder, delay or defraud any creditor. Guarantor received reasonably equivalent value in exchange for the Guaranteed Obligations. Guarantor is not presently insolvent, and the execution and delivery of this Guaranty will not render Guarantor insolvent;

(e) the execution and delivery of this Guaranty and the performance of the obligations hereunder do not and will not (i) conflict with or violate any existing Applicable Laws affecting Guarantor or any of its assets or property, (ii) conflict with, result in a breach of, or constitute a default (including any circumstance or event that would be a default but for the lack of due notice or lapse of time or both) under (A) any of the terms, conditions or provisions of any of Guarantor's organizational documents or (B) any material agreement or instrument to which Guarantor is a party, or by which Guarantor or its assets or property are bound which would reasonably be expected to materially and adversely affect the performance of Guarantor's obligations and duties under this Guaranty or (iii) result in the creation or imposition of any Lien on any of Guarantor's assets or property which would reasonably be expected to materially and adversely affect the performance of Guarantor's obligations and duties under this Guaranty;

(f) there is no action, suit, proceeding, arbitration or investigation pending or, to the best of Guarantor's knowledge, threatened against Guarantor in any court or by or before any other Governmental Authority, in each case, which would reasonably be expected to materially and adversely affect the performance of Guarantor's obligations and duties under this Guaranty;

(g) Guarantor is not in default or violation of any regulation, order, writ, injunction, decree or demand of any Governmental Authority, the violation or default of which would reasonably be expected to materially and adversely affect the condition (financial or otherwise) of Guarantor or would reasonably be expected to materially and adversely affect its performance hereunder;

(h) except as provided herein, this Guaranty and the obligations of Guarantor hereunder are not subject to, and Guarantor has not asserted, any right of rescission, offset, counterclaim, cross-claim, recoupment or affirmative or other defense of any kind and neither the operation of any of the terms of this Guaranty nor the exercise of any right hereunder will render this Guaranty unenforceable in whole or in part;

(i) Guarantor is contemplating neither the filing of a petition under any state or federal bankruptcy or insolvency laws nor the liquidation of its assets or property and Guarantor does not have any knowledge (after due and diligent inquiry) of any Person contemplating the filing of any such petition against it; and

(j) all representations and warranties made by Guarantor herein are made as of the date hereof but shall survive the execution hereof.

5. **SUBROGATION.** Guarantor shall not exercise any rights which it may acquire by way of subrogation, by any payment made under this Guaranty, until the Guaranteed Obligations have been paid or performed in full. If any amount is paid to Guarantor on account of subordination rights under this Guaranty at any time when the Guaranteed Obligations have not been paid in full, the amount shall be held in trust by Guarantor for the benefit of Seller and shall be promptly, but in any event within two (2) Business Days, paid to Seller to be credited and applied to the Guaranteed Obligations, whether matured or unmatured or absolute or contingent. If Guarantor shall make, or cause to be made, payment to Seller of all or any part of the Guaranteed Obligations, upon satisfaction in full of the Guaranteed Obligations, Seller will, at Guarantor's reasonable request, execute and deliver to Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to Guarantor of an interest in the Guaranteed Obligations resulting from such payment by Guarantor; provided that any rights of Guarantor pursuant to this *Section 5* shall be subordinate to all obligations of Obligor to Seller under the Agreement.

6. **AMENDMENT OF GUARANTY.** No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and Seller.

7. **WAIVERS AND CONSENTS**. Subject to and in accordance with the terms and provisions of this Guaranty:

(a) Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any Action be brought against Obligor or any other Person, or to require that Seller seek enforcement of any performance against Obligor or any other Person, prior to any action against Guarantor under the terms hereof.

(b) Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, Seller may: (i) change the manner, place or terms for payment or performance of all or any of the Guaranteed Obligations (including renewals, extensions or other alterations of the Guaranteed Obligations); (ii) release Obligor or any Person (other than Guarantor) from liability for payment of all or any of the Guaranteed Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Guaranteed Obligations.

8. **NO EFFECT ON GUARANTY.** Subject to the terms of this Guaranty, (x) Guarantor shall remain liable for the Guaranteed Obligations, or any part thereof, for any reason (and regardless of any joinder of Obligor or any other party in any Action to obtain payment or performance of any or all of the Guaranteed Obligations) described in this *Section 8*, (y) the obligations of Guarantor under this Guaranty shall not be altered, limited, impaired or otherwise affected by, nor shall Guarantor be exonerated, discharged or released (by virtue of any law, rule, arrangement or relationship) by, any one or more of the following events, actions, facts, or circumstances described in this *Section 8*, and (z) the liability of Guarantor under this Guaranty shall be absolute and unconditional irrespective of and Guarantor waives any common law, equitable, statutory or other similar extra-contractual rights (including rights to notice) or defenses that Guarantor might now or hereafter have as a result of or in connection with any or all of the following:

(a) the taking or accepting of any other security or guaranty for, or right of recourse with respect to, any or all of the Guaranteed Obligations, to the extent such taking or acceptance does not discharge the Guaranteed Obligations;

(b) whether express or by operation of any statute, regulation or rule of law, or otherwise, any limitation, discharge, cessation or partial release of the liability of Guarantor hereunder, other than as expressly provided herein;

(c) without limiting any right of Guarantor to assert set-offs, offsets, claims, counterclaims, limitations, qualifications and other defenses, solely to the extent each of the foregoing are available to Obligor, with respect to the Guaranteed Obligations, either with or without notice to or consent of Guarantor, any valid renewal, extension, modification, supplement, subordination or rearrangement of the terms of any or all of the Guaranteed Obligations (other than this Guaranty), including, without limitation, material alterations of the terms of payment or performance or any other terms thereof;

(d) any neglect, lack of diligence, delay, omission, failure, or refusal of Seller to take or prosecute (or in taking or prosecuting) any action for the collection or enforcement of any of the Guaranteed Obligations;

(e) if for any reason Seller is required to refund any payment by Obligor or pay the amount thereof, in each case, to a Person other than Obligor or Guarantor;

(f) the existence of any claim, set-off, or other right that Guarantor may at any time have against Seller, Obligor, or any other person, in each case, if arising outside of the Agreement or this Guaranty;

(g) any lack of validity or enforceability of all or any part of the Agreement or the lack of validity or enforceability of all or any part of the Guaranteed Obligations in accordance with the terms of the Agreement against Obligor for any reason whatsoever, including (i) the officers or persons creating the Guaranteed Obligations acted in excess of their authority or because of a lack of validity or enforceability or of defect or deficiency in the Agreement, other Transaction Document or any other document or agreement executed in connection with the creating of the Guaranteed Obligations, or any part thereof, (ii) the act of creating the Guaranteed Obligations, or any part thereof, is ultra vires, (iii) the Obligor's obligations cease to exist by operation of law or (iv) any of the Transaction Documents or any other document or agreement executed in connection with the Guaranteed Obligations, or any part thereof, has been forged or otherwise are irregular or not genuine or authentic, in each case with respect to clause (iv) solely as a result of the action of Obligor or its Affiliates;

(h) any change, whether direct or indirect, in Guarantor's relationship to Obligor, including any such change by reason of restructuring or termination of the corporate structure or existence of Obligor or any of its subsidiaries, any merger or consolidation or any sale, transfer, issuance, spin-off, distribution or other disposition of any stock, equity interest or other security of Obligor, Guarantor or any other entity;

(i) any proceeding, voluntary or involuntary, involving bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Obligor or any defense which Obligor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding;

(j) any other act or omission that may or might in any manner or to any extent vary the risk of Guarantor or that may or might otherwise operate as a discharge of Guarantor as a matter of law or equity, other than (i) the payment in full of all the Guaranteed Obligations or (ii) as expressly set forth this Guaranty; and

(k) any other circumstance that might otherwise constitute a legal or equitable discharge or defense of a guarantor generally, it being the unambiguous and unequivocal intention of Guarantor and Seller that the liability of Guarantor hereunder shall be direct and immediate in accordance with the terms hereof and that Guarantor shall be obligated to pay the Guaranteed Obligations when due hereunder.

9. REINSTATEMENT. In the event any payment by Obligor or any other person to Seller is rescinded or otherwise held to constitute a preference, fraudulent transfer or other voidable payment under any bankruptcy, insolvency or similar law, or if for any other reason Seller is required to refund such payment or pay the amount thereof to any other party, such payment by Obligor or any other party to Seller shall not constitute a release of Guarantor from any liability hereunder, and this Guaranty shall continue to be effective or shall be reinstated (notwithstanding any prior release, surrender or discharge by Seller of this Guaranty or of Guarantor), as the case may be, with respect to, and this Guaranty shall apply to, any and all amounts so refunded by Seller or paid by Seller to another person (which amounts shall constitute part of the Guaranteed Obligations), and any interest paid by Seller and any attorneys' fees, costs and expenses paid or incurred by Seller in connection with any such event. It is the intent of Guarantor and Seller that the obligations and liabilities hereunder are, subject to the terms of this Guaranty, absolute and unconditional under any and all circumstances and that until the Guaranteed Obligations are fully and finally paid and performed or this Guaranty terminates in accordance with its terms, the obligations and liabilities of Guarantor hereunder shall not be discharged or released, in whole or in part, by any act or occurrence that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of Guarantor.

10. **NO DUPLICATION**. Notwithstanding any other provision of this Guaranty, in no event shall (a) Seller be entitled to recover any amounts hereunder with respect to any Guaranteed Obligation to the extent Seller or its Affiliates has recovered such amounts under the Agreement or any Transaction Document or (b) there be any duplication of payments or recovery by Seller or its Affiliates under different provisions of this Guaranty, or under any provision of this Guaranty and any provision of the Agreement or any Transaction Document.

11. **TERMINATION.** This Guaranty and Guarantor's obligations hereunder will terminate automatically and immediately upon the date of termination of the Agreement; except to the extent there is liability of Obligor under Section 6.2(b) of the Agreement, but otherwise shall stay in effect until all Guaranteed Obligations have been satisfied; provided that notwithstanding the foregoing, in the event that Seller, any of its Affiliates or any of their respective Representatives asserts, in oral argument before any Governmental Authority or in writing, in any Action that any of the provisions of *Section 2* hereof are illegal, invalid or unenforceable in whole or in part, then this Guaranty shall immediately terminate and the obligations and liability of Guarantor under this Guaranty shall terminate and be of no further force and effect. The date that this Guaranty terminates is referred to herein as the "**Termination Date**." Upon any termination of this Guaranty, and from and after the Termination Date, Guarantor shall have no further obligation or liability under this Guaranty or in respect of any Guaranteed Obligations, provided that notwithstanding any termination of this Guaranty, (x) any defenses or limitations on liability available to Guarantor (but not, for the avoidance of doubt, any obligation or liability of Guarantor) under the terms of this Guaranty shall survive any termination of this Guaranty and the Termination Date and (y) if this Guaranty is terminated other than pursuant to the proviso in the first sentence of this *Section 11*, the rights of Seller under this Guaranty shall remain in full force and effect with regard to (but solely to the extent of) any claim made hereunder prior to such Termination Date until the final resolution of such claim and Guarantor's performance of any obligations hereunder with regard thereto.

12. **NOTICE.** Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "**Notice**") by Seller to Guarantor, or by Guarantor to Seller, as applicable, shall be in writing and may be delivered either by (a) U.S. certified mail with postage prepaid and return receipt requested, or (b) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or Seller, as applicable, to the other in accordance with the requirements of this *Section 12*):

TO SELLER:	*TO GUARANTOR:*
c/o Terra-Gen, LLC 437 Madison Avenue, Suite 22-A New York, New York 10022 Attention: Chief Financial Officer	Ormat Technologies, Inc. 6140 Plumas Street Reno, Nevada 89519 Attention: Legal Department
with a copy to: Reed Smith LLP 506 Carnegie Center Princeton, New Jersey 08540 Attention: Henry R. King	with a copy to: Norton Rose Fulbright US LLP 700 9th Street NW, Suite 1000 Washington, DC 20001 Attention: Noam Ayali

Any Notice given in accordance with this *Section 12* will (a) if delivered or refused to be accepted for delivery during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (b) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery or refusal to accept delivery .

13. MISCELLANEOUS.

(a) Capitalized terms used but not defined in this Guaranty shall have the meanings given to such terms in the Agreement.

(b) This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by Seller and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of Seller. Seller may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor. Notwithstanding the foregoing or anything that may be expressed or implied in this Guaranty, Seller, by its acceptance of the benefits hereof, covenants, agrees and acknowledges that: (i) notwithstanding the fact that Guarantor is a corporation, no Person other than Guarantor shall have any obligation or liability hereunder, and that it has no rights of recovery in respect hereof against, no recourse in respect hereof shall be had against, and no personal liability in respect hereof shall attach to, any former, current or future Affiliate, general or limited partner, member, equity-holder, Representative, director, officer, agent, manager, assignee or employee of Guarantor or of Obligor or of any Affiliate thereof (other than Guarantor), or any of their respective successors or permitted assignees (excluding Obligor and Guarantor and any of the successors and assignees of Obligor and Guarantor, collectively, "**Guarantor Affiliates**"), whether by or through attempted piercing of the "corporate veil," by or through a claim (whether in tort, contract or otherwise) by or on behalf of Obligor against any Guarantor Affiliate, by the enforcement of any judgment, fine or penalty or by any legal or equitable proceeding, or by virtue of any statute, regulation or other Applicable Law, or otherwise; (ii) the only rights of recovery that Seller has against any Guarantor Affiliate in respect of the Transaction Documents or the transactions contemplated thereby are against (x) any Guarantor Affiliate, to the extent any such Guarantor Affiliate is a named party duly executing and delivering a Transaction Document and then only under and to the extent expressly provided in such Transaction Document, (y) Obligor, under and to the extent expressly provided in the Transaction Documents (other than this Guaranty), or (z) Guarantor, under and to the extent expressly provided in this Guaranty; (iii) Seller shall not, directly or indirectly, institute, and shall cause its Affiliates and its and their respective Representatives not to, directly or indirectly institute, any proceeding or bring any claim (whether in tort, contract or otherwise) in connection with the Guaranteed Obligations, this Guaranty, the Agreement or any other Transaction Documents (or any of the respective transactions contemplated by any of the foregoing) against Guarantor, Obligor or any Guarantor Affiliate other than as contemplated in clause (ii) and (iv) nothing set forth in this Guaranty shall affect or be construed to affect or be construed to confer or give any Person (including any Person acting in a representative capacity) any rights or remedies against any Person other than Guarantor as expressly set forth herein.

(c) This Guaranty constitutes the entire agreement and understanding between Guarantor and Seller and supersedes all prior agreements and understandings with respect to the subject matter hereof.

(d) The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders.

(e) Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES OR PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY, NEW YORK WITH RESPECT TO ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT HAND DELIVERED OR SENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN NEW YORK WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY OF THE AFOREMENTIONED COURTS AND HEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(g) Guarantor acknowledges that it has been advised by its counsel with respect to the Agreement and the transactions evidenced hereunder.

(h) Time is of the essence in this Guaranty with respect to all of Guarantor's obligations hereunder.

(i) Guarantor, at Guarantor's expense, agrees to take all such further actions and execute, acknowledge and deliver, upon Seller's request, all such further documents that are necessary or useful in carrying out the purposes of this Guaranty.

(j) Guarantor agrees to pay interest on any expenses or other sums due to Seller under this Guaranty that are not paid when due hereunder, at a rate per annum equal to the prime rate as stated in The Wall Street Journal plus two percent (2%). All sums payable under this Guaranty shall be paid in immediately available funds in United States dollars.

(k) No failure on the part of Seller to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

(l) This Guaranty and any documents or information delivered hereunder shall be treated as confidential and are being provided to Seller solely in connection with the Agreement. This Guaranty and any such documents or information may not be disclosed to any Person or used, circulated, quoted or otherwise referred to in any document (other than the Agreement and the Transaction Documents), except with the written consent of Guarantor; provided that Seller may disclose this Guaranty (i) to its officers, directors, advisors and other authorized representatives, (ii) to the extent required by Applicable Laws or (iii) to the extent reasonably necessary to enforce this Guaranty.

(m) This Guaranty may be executed and delivered (including by facsimile or electronically mailed .pdf transmission) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party, it being understood that the parties hereto need not sign the same counterpart. Signatures of the parties hereto transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

* * *

IN WITNESS WHEREOF, each of the parties hereto have caused this Guaranty to be executed and delivered on its behalf as of the date first written above.

ORMAT TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

TG GEOTHERMAL PORTFOLIO, LLC

By: _____
Name: _____
Title: _____

Exhibit C

Net Working Capital Methodology

[Attached]

Exhibit D
Form of Termination and Release Agreement

TERMINATION AND RELEASE AGREEMENT

This **TERMINATION AND RELEASE AGREEMENT** (this "Release") dated as of [____], 2021 is made by and among (i) Terra-Gen Sierra Holdings, LLC, Terra-Gen Dixie Valley, LLC, Dixie Binary, LLC, Nevada Power Holdings, LLC, Beowawe Power, LLC, Beowawe Binary Holdings, LLC, Beowawe Binary, LLC and TGP Coyote Canyon, LLC, each a Delaware limited liability company (each an "Acquired Company," and collectively the "Acquired Companies"); (ii) TG Geothermal Portfolio, LLC ("Seller"), and (iii) Terra-Gen Operating Company, LLC ("Operator," and, together with Seller, each a "Seller Company," and collectively the "Seller Companies"). Such entities may be referred to herein collectively as the "Parties" and individually as a "Party."

WHEREAS, Seller and Deer Holdings, LLC ("Purchaser") are parties to that certain Agreement for Purchase of Membership Interests (as may be amended, supplemented or otherwise modified from time to time, the "Purchase Agreement") dated as of May 21, 2021;

WHEREAS, this Release is the Affiliate Release referred to in the Purchase Agreement;

WHEREAS, Operator is a party to the operation and maintenance agreements with the Dixie Project Company and the Beowawe Project Company set forth on Schedule 1 (the "O&M Agreements"), and Seller has executed the limited liability company agreement of each Acquired Company as set forth on Schedule 1 (collectively, the "Affiliate Agreements"); and

WHEREAS, the Parties desire that all amounts due and payable as of the date hereof under the Affiliate Agreements will be paid, each Affiliate Agreement will be terminated, and the Parties thereto will be released from any liabilities or obligations thereunder, and certain other liabilities and obligations between them, in each case, as provided in this Release.

NOW, THEREFORE, in order to induce Purchaser and Seller to enter into the transactions contemplated by the Purchase Agreement and to complete the Closing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINED TERMS;
RULES OF CONSTRUCTION

1.1 ***Definitions***. As used in this Release, capitalized terms defined in the introductory paragraph, preliminary statements or other sections of this Release have the meanings set forth herein, capitalized terms used and not otherwise defined in this Release that are defined in the Purchase Agreement have the meanings set forth in the Purchase Agreement, and the following capitalized terms have the meanings set forth below:

"Claim" means any and all actions, charges, complaints, promises, agreements, controversies, debts, claims, counterclaims, suits, causes of action, damages, demands, liabilities, obligations, costs and expenses of every kind and nature whatsoever or howsoever arising, known or unknown, at law, in tort or in equity, contingent or otherwise.

"Related Parties" means, with regard to a Person, such Person's Affiliates, and such Person's and its Affiliates' predecessors, successors, assigns and Representatives.

1.2 ***Rules of Construction.*** The rules of construction set forth in Annex I of the Purchase Agreement shall apply, mutatis mutandis, to this Release.

ARTICLE 2
AFFILIATE AGREEMENT;
TERMINATION AND RELEASE

2.1 ***Termination of Affiliate Agreements.*** As of the Closing, each Affiliate Agreement is hereby terminated and shall cease to have any further force or effect; provided, however, that on the Closing Date, the Project Company shall make payment of any outstanding payment obligation under the O&M Agreement to the extent accruing prior to the Closing Date. Each Acquired Company and each Seller Company hereby waives any requirement under any Affiliate Agreement for written or other notice of termination prior to termination becoming effective.

2.2 ***Acquired Companies Release***. Each Acquired Company, on behalf of itself and its Related Parties (other than the Seller Companies), hereby fully, finally and irrevocably releases, acquits and forever discharges each Seller Company and its Related Parties from all Claims which such Acquired Company and its Related Parties ever had, now have or hereafter may or shall have against any Seller Company and its Related Parties arising out of or in connection with (i) the Affiliate Agreements and (ii) the governance, management, ownership, operation, supervision or control of the Acquired Companies by any Seller Company or its Related Parties or any distribution or transfer (of any kind) of Assets to or from any Acquired Company, whether under Applicable Law, by Contract or otherwise, whether known or unknown, fixed or contingent, and including any Claim for breach of any fiduciary or other duty, breach of contract, *ultra vires* action, or that otherwise may be available at law or in equity, granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, piercing the veil, unfairness, fraud, constructive or equitable fraud or otherwise. In executing this Release, each Acquired Company acknowledges and intends that it shall be effective as a bar to each and every one of the Claims so released pursuant to this Section 2.2.

2.3 ***Seller Companies Release***. Each Seller Company, on behalf of itself and its Related Parties (other than the Acquired Companies), hereby fully, finally and irrevocably releases, acquits and forever discharges each Acquired Company and its Related Parties from all Claims which such Seller Company and its Related Parties ever had, now have or hereafter may or shall have against any Acquired Company and its Related Parties arising out of or in connection with (i) the Affiliate Agreements and (ii) the governance, management, ownership, operation, supervision or control of the Acquired Companies by any Seller Company or its Related Parties or any distribution or transfer (of any kind) of Assets to or from any Acquired Company, whether under Applicable Law, by Contract or otherwise, whether known or unknown, fixed or contingent, and including any Claim for breach of any fiduciary or other duty, breach of contract, *ultra vires* action, or that otherwise may be available at law or in equity, granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, piercing the veil, unfairness, fraud, constructive or equitable fraud or otherwise. In executing this Release, each Seller Company acknowledges and intends that it shall be effective as a bar to each and every one of the Claims released pursuant to this Section 2.3.

2.4 ***Unknown Claims***. With respect to any and all claims and liabilities released pursuant to Sections 2.2 and 2.3, each Seller Company and each Acquired Company hereby stipulates and agrees that it shall be deemed to have expressly waived any and all provisions, rights and benefits conferred by any Applicable Law of any country, state or territory, or principle of common law related to the release of claims, including Cal. Civ. Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

With respect to any and all Claims, each Seller Company and each Acquired Company hereby waives any and all rights it has under any state or federal statute or common law principle of similar effect, that provides that the foregoing release does not extend to Claims that it does not now or suspect to exist in its favor at the time of the Closing. Each Seller Company and each Acquired acknowledges that the inclusion of such unknown Claims in this Release was separately bargained for and was a key element of this Release. Each Seller Company and each Acquired Company acknowledges that it or its Representatives may hereafter discover facts which are different from or in addition to those that it or its Representatives may now know or believe to be true with respect to any and all Claims herein released and agrees that all such unknown Claims, including future claims, are nonetheless released and that this Release shall be and remain effective in all respects even if such different or additional facts are subsequently discovered.

2.5 ***No Assignment of Claims; No Suit***. No Acquired Company or Seller Company has heretofore assigned any Claim released pursuant to Section 2.2 and Section 2.3, respectively, and no Acquired Company or Seller Company shall hereafter sue any Person which it has released pursuant to Section 2.2 and Section 2.3, respectively, upon any Claim released, acquitted or discharged or purported to be released, acquitted or discharged under this Release.

2.6 ***No Release under Purchase Agreement***. Notwithstanding anything to the contrary set forth in this Release, this Release shall not be deemed to include any release, acquittal or discharge (or any agreement not to sue) with respect to the rights and obligations of Purchaser and Seller under the Purchase Agreement, none of which shall be affected hereby.

2.7 ***Sufficiency of Consideration***. Each Acquired Company and each Seller Company acknowledges and agrees that the entry into the Purchase Agreement by Seller and Purchaser and the covenants contained therein and in this Release provide good and sufficient consideration for every promise, duty, release, obligation, agreement and right contained in this Release.

ARTICLE 3
MISCELLANEOUS

3.1 ***Counterparts***. This Release may be executed and delivered (including by facsimile or electronically mailed .pdf transmission) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that the Parties need not sign the same counterpart. Signatures of the Parties transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

3.2 ***Governing Law; Choice of Forum; Waiver of Jury Trail***. THIS RELEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES OR PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. THE PARTIES IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY, NEW YORK WITH RESPECT TO ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS RELEASE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT HAND DELIVERED OR SENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN NEW YORK WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS RELEASE OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY OF THE AFOREMENTIONED COURTS AND HEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

3.3 ***Severability***. If any provision hereof is invalid or unenforceable in any jurisdiction, the other provisions hereof shall remain in full force and effect in such jurisdiction. The invalidity or unenforceability of any provision of this Release in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.

3.4 ***Successors and Assigns***. This Release shall be binding upon and inure to the benefit of each Acquired Company, each Seller Company, and their respective successors and permitted assigns. No Party may assign its respective rights or obligations hereunder without the prior written consent of each other Party, such consent not to be unreasonably withheld or delayed. Any assignment in contravention of this provision shall be void *ab initio*.

[signature page follows]

IN WITNESS WHEREOF, this Release has been duly executed as of the date above first written, and is effective as of the Closing under the Purchase Agreement.

ACQUIRED COMPANIES:

TERRA-GEN SIERRA HOLDINGS, LLC

By: _____
Name:
Title:

BEOWAWE BINARY, LLC

By: _____
Name:
Title:

TERRA-GEN DIXIE VALLEY, LLC

By: _____
Name:
Title:

TGP COYOTE CANYON, LLC

By: _____
Name:
Title:

DIXIE BINARY, LLC

By: _____
Name:
Title:

NEVADA POWER HOLDINGS, LLC

By: _____
Name:
Title:

BEOWAWE POWER, LLC

By: _____
Name:
Title:

BEOWAWE BINARY HOLDINGS, LLC

By: _____
Name:
Title:

SELLER:

TG GEOTHERMAL PORTFOLIO, LLC

By: _____
Name:
Title:

OPERATOR:

TERRA-GEN OPERATING COMPANY, LLC

By: _____
Name:
Title:

Schedule 1

Affiliate Agreements

(1) Operation and Maintenance Agreement by and between Terra-Gen Dixie Valley, LLC (f/k/a Caithness Dixie Valley, LLC) and Terra-Gen Operating Company, LLC (f/k/a Caithness Operating Company, LLC), effective as of June 15, 2000, as amended by that certain Amendment to Operations and Maintenance Agreement, dated as of October 14, 2005, as further amended by the Consent and Amendment to Operation and Maintenance Agreement, dated as of September 15, 2010.

(2) Operation and Maintenance Agreement by and between Beowawe Power, LLC and Terra-Gen Operating Company, LLC (f/k/a Caithness Operating Company, LLC), dated as of June 15, 2000, as amended by the Operation and Maintenance Agreement Amendment, dated as of June 15, 2010.

(3) Amended and Restated Limited Liability Company Agreement of Terra-Gen Sierra Holdings, LLC dated as of June 1, 2011 by Terra-Gen Geothermal Power, LLC.

(4) Third Amended and Restated Limited Liability Company Agreement of Terra-Gen Dixie Valley, LLC dated as of December 20, 2007, by Terra-Gen Sierra Holdings, LLC.

(5) Amended and Restated Limited Liability Company Agreement of Nevada Power Holdings, LLC dated as of June 1, 2020 by TG Portfolio Finance, LLC.

(6) First Amended and Restated Limited Liability Company Agreement of Beowawe Power, LLC dated as of December 7, 2007 by Nevada Power Holdings, LLC.

(7) Amended and Restated Limited Liability Company Agreement of Beowawe Binary Holdings, LLC dated as of July 16, 2019 by TG Portfolio Finance, LLC.

(8) Limited Liability Company Agreement of Beowawe Binary, LLC dated as of December 22, 2010 by Beowawe Binary Holdings, LLC.

(9) Second Amended and Restated Limited Liability Company Agreement of TGP Coyote Canyon, LLC dated as of March 6, 2017 by TGP Dixie Development Company, LLC.

Exhibit E

Form of Assignment and Assumption of Membership Interests

ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTERESTS

This ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTERESTS (this "***Assignment***"), effective as of [___], 2021 (the "***Closing Date***"), is entered into by and between TG Geothermal Portfolio, LLC, a Delaware limited liability company ("***Assignor***"), and Deer Holdings, LLC, a Delaware limited liability company ("***Assignee***").

RECITALS

A. Assignor and Assignee entered into that certain Agreement for Purchase of Membership Interests, dated as of May 21, 2021 (the "***Purchase Agreement***"), pursuant to which, among other things, Assignor has agreed to transfer to Assignee one hundred percent (100%) of the membership interests in each of Terra-Gen Sierra Holdings, LLC, a Delaware limited liability company ("***Dixie Holdings***"), Dixie Binary, LLC, a Delaware limited liability company ("***Dixie Lessor***"), Nevada Power Holdings, LLC, a Delaware limited liability company ("***NPH***"), Beowawe Binary Holdings, LLC, a Delaware limited liability company ("***Binary Holdings***"), and TGP Coyote Canyon, LLC (the "***Coyote Company***" and together with Dixie Holdings, Dixie Lessor, NPH and Binary Holdings, the "***Assigned Companies***"), a Delaware limited liability company (collectively, the "***Membership Interests***"); and

B. To effect the sale and purchase of the Membership Interests, Assignor and Assignee are executing and delivering this Assignment, which is a condition to Closing.

NOW THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby as follows:

AGREEMENTS

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Purchase Agreement.

2. Transfer of Interests. Assignor hereby sells, assigns, transfers, conveys and delivers unto Assignee, effective as of the Closing, (a) all of Assignor's right, title and interest in and to the Membership Interests, and (b) all of Assignor's rights, obligations and liabilities under the limited liability company agreement of each Assigned Company (each as amended, restated, supplemented and/or otherwise modified from time to time, collectively, the "***LLC Agreements***").

3. Assumption of Assignee. Effective as of the Closing, Assignee hereby accepts the sale, assignment, transfer, conveyance and delivery of the Membership Interests, and assumes (a) the Membership Interests and (b) all rights, obligations and liabilities of Assignor as the sole member of each Assigned Company under the applicable LLC Agreement.

4. Withdrawal of Assignor. Notwithstanding any provision in the applicable LLC Agreement to the contrary, as of the Closing, (a) Assignor shall be deemed to have automatically withdrawn as the sole member of each Assigned Company, shall cease to be a member thereof and shall have no further rights, obligations or liabilities as a member under any LLC Agreement and (b) Assignee shall automatically be admitted as the sole member of each Assigned Company and succeed to all rights, obligations and liabilities of Assignor under the LLC Agreements. The withdrawal of Assignor and the admission of Assignee shall be deemed to occur simultaneously.

5. Continuation of the Limited Liability Company. The parties hereto agree that the LLC Agreements shall continue in full force and effect, subject to Assignee's unconditional ability to amend or restate the LLC Agreements following the Closing, and the assignment of the Membership Interests and the withdrawal of Assignor as a member of each Assigned Company shall not dissolve, or require the dissolution of, such Assigned Company.

6. Counterparts. This Assignment may be executed and delivered (including by facsimile or electronically mailed .pdf transmission) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party hereto, it being understood that the parties hereto need not sign the same counterpart. Signatures of the parties hereto transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

7. Further Assurances. The parties hereto agree to take all such further actions and execute, acknowledge and deliver all such further documents that are necessary or useful in carrying out the purposes of this Assignment. Without limiting the foregoing, (a) Assignor agrees to execute, acknowledge and deliver to Assignee all such other additional instruments, notices, and other documents and to do all such other and further acts and things as may be reasonably necessary to more fully and effectively sell, assign, transfer and deliver to Assignee the Membership Interests and (b) Assignee agrees to execute, acknowledge and deliver to Assignor all such other additional instruments, notices, and other documents and to do all such other and further acts and things as may be reasonably necessary to more fully and effectively accept and assume the Membership Interests.

8. Governing Law; Choice of Forum; Waiver of Jury Trial. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES OR PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY, NEW YORK WITH RESPECT TO ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT HAND DELIVERED OR SENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN NEW YORK WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY OF THE AFOREMENTIONED COURTS AND HEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

9. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and permitted assigns.

[*signature page follows*]

IN WITNESS WHEREOF, each party has caused this Assignment to be executed on its behalf by its duly authorized officer, as of the day and year first above written.

ASSIGNOR:

TG GEOTHERMAL PORTFOLIO, LLC

By: _____
Name:
Title:

ASSIGNEE:

DEER HOLDINGS, LLC

By: _____
Name:
Title:

Exhibit F

Project Site

[Attached]

Exhibit G

Form of Assignment of Agreement Regarding Future Development

ASSIGNMENT AND ASSUMPTION

This **ASSIGNMENT AND ASSUMPTION** (this "Assignment") is entered into and effective on [____], 2021, by and between Terra-Gen, LLC, a Delaware limited liability company ("Assignor"), and Ormat Nevada Inc., a Delaware corporation ("Assignee", and together with Assignor, the "Parties" and each, a "Party").

W I T N E S S E T H:

A. Assignor (as successor to Terra-Gen Power, LLC) and Terra-Gen Dixie Valley, LLC (the "Project Company") are parties to that certain Agreement Regarding Future Development, dated as of September 15, 2010 (the "Agreement Regarding Future Development").

B. TG Geothermal Portfolio, LLC, a Delaware limited liability company ("Seller"), and Deer Holdings, LLC, a Delaware limited liability company ("Purchaser"), have entered into that certain Agreement for Purchase of Membership Interests, dated as of May 21, 2021 (as amended, restated, supplemented or otherwise modified, the "Purchase Agreement"), pursuant to which, among other things, Purchaser agreed to purchase from Seller, and Seller agreed to sell to Purchaser, one hundred percent (100%) of the membership interests in Terra-Gen Sierra Holdings, LLC and in Dixie Binary, LLC, subject to the terms and conditions set forth therein.

C. The execution and delivery of this Assignment by Assignee and Assignor is required by Section 2.5(e)(vii) and Section 2.6(f)(vi) of the Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties mutually agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Purchase Agreement.

2. Assignment and Assumption. Assignor hereby assigns, transfers, sets over and conveys to Assignee, and Assignee hereby accepts and assumes from Assignor, all of Assignor's right, title and interest in and to, and all of Assignor's obligations under, the Agreement Regarding Future Development. Each of Assignee and Assignor acknowledges and agrees that, as a result of such assignment and assumption, the Agreement Regarding Future Development is a binding obligation of Assignee, enforceable against Assignee by the Project Company.

3. Counterparts. This Assignment may be executed and delivered (including by facsimile or electronically mailed .pdf transmission) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that the Parties need not sign the same counterpart. Signatures of the Parties transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

4. Further Assurances. The Parties hereto agree to take all such further actions and execute, acknowledge and deliver all such further documents that are necessary or useful in carrying out the purposes of this Assignment.

5. Governing Law; Choice of Forum; Waiver of Jury Trial. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES OR PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. THE PARTIES IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY, NEW YORK WITH RESPECT TO ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT HAND DELIVERED OR SENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN NEW YORK WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY OF THE AFOREMENTIONED COURTS AND HEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

6. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and permitted assigns.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Assignment has been duly authorized and executed by the Parties hereto as of the date first above written.

ORMAT NEVADA INC.

By: _____
Name:
Title:

TERRA-GEN, LLC

By: _____
Name:
Title

Exhibit 31.1

Ormat Technologies, Inc.

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Doron Blachar, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2021 of Ormat Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ DORON BLACHAR
Doron Blachar
Chief Executive Officer

Date: August 5, 2021

Exhibit 31.2

Ormat Technologies, Inc.

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Assaf Ginzburg, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2021 of Ormat Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ ASSAF GINZBURG
Assaf Ginzburg
Chief Financial Officer

Date: August 5, 2021

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Doron Blachar, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report of Ormat Technologies, Inc. on Form 10-Q for the quarter ended June 30, 2021 (i) fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and (ii) that information contained in such quarterly report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Ormat Technologies, Inc. This written statement is being furnished to the Securities and Exchange Commission as an exhibit accompanying such quarterly report and shall not be deemed filed pursuant to the Exchange Act.

By: /s/ DORON BLACHAR
Name: Doron Blachar
Title: Chief Executive Officer

Date: August 5, 2021

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Assaf Ginzburg, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report of Ormat Technologies, Inc. on Form 10-Q for the quarter ended June 30, 2021 (i) fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act and (ii) that information contained in such quarterly report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Ormat Technologies, Inc. This written statement is being furnished to the Securities and Exchange Commission as an exhibit accompanying such quarterly report and shall not be deemed filed pursuant to the Exchange Act.

By: /s/ ASSAF GINZBURG
Name: Assaf Ginzburg
Title: Chief Financial Officer

Date: August 5, 2021