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Attachment "I" to Schedule 152, Page 1

#### **PUGET SOUND ENERGY**

# Attachment "I" Interconnection Agreement

# SCHEDULE 152 INTERCONNECTION AGREEMENT

<u>Tier 1 Interconnection Agreement</u> (Non-Net-Metering Interconnection)

#### Interconnection Customer

This Interconnection Agreement ("Agreement") is executed in duplicate between

("Interconnection Customer") and Puget Sound Energy, Inc. (the
"Company" or "PSE"). This Agreement is effective on the latest date of execution by a Party as
indicated by the date following the signature of each Party. Both parties, who may be referred to in
this Agreement collectively as "Parties" and individually as "Party," agree as follows:

#### 1.0 DEFINITION

Defined terms used in this Agreement are typically capitalized to indicate to the reader that they are defined. Terms used in this Agreement have the meanings specified in Schedules 80 and 152.

#### 2.0 INTERCONNECTION CUSTOMER ELECTRIC GENERATING FACILITY

- 2.1 The Interconnection Customer has elected to Operate in Parallel with the Company's transmission and distribution facilities using a Generating Facility with a generating capacity of not more than twenty-five (25) kilowatts and that is eligible under Tier 1 requirements pursuant to Schedule 152.
- 2.2 The Interconnection Customer's completed Application (in the form of Attachment B to Schedule 152), including the location of the electrical generating installation facility and details on the electrical generating unit(s), is hereby appended to this agreement.
- 2.3 The installation is identified by the Company with the following designators: Transformer No. (feeder and phase) \_\_\_\_\_\_\_\_, Interconnection Customer Utility Account No.
- 2.4 The electrical generating system facility used by the Interconnection Customer shall be located on the Interconnection Customer's premises. The Interconnection Customer shall be obligated to include in such facility all equipment necessary to meet applicable safety, power quality, and Interconnection requirements established by the National Electrical Code (Articles 690 and 705), National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories. The Generating Facility shall meet all Codes and Standards.
- 2.5 The Company shall solely have the right to determine which Interconnection requirements set forth in this Agreement are applicable to the Interconnection Customer's proposed Generating Facility.

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#### **PUGET SOUND ENERGY**

#### Attachment "I" Interconnection Agreement

- The Company may require the Interconnection Customer to interrupt power deliveries or the Company may disconnect as follows:
  - when necessary to construct, install, maintain, repair, replace, remove, investigate, or inspect any of the Company's equipment or any part of its system; or
  - b. if the Company determines that interruption is necessary because of emergencies, force majeure, or compliance with prudent electrical safety practices.
- The Company shall give the Interconnection Customer reasonable advance notice for scheduled disconnections or interruptions. If an unscheduled disconnection occurs, the Company will provide notice afterward.
- 3.3 Notwithstanding any other provision of this Agreement, if at any time the Company determines that either:
  - the Generating Facility may endanger Company personnel, or a.
  - b. the continued operation of the Interconnection Customer's Generating Facility may endanger the integrity of the Company's Electric System,

then the Company shall have the right to disconnect the Interconnection Customer's Generating Facility from the Company's Electric System. The Interconnection Customer's Generating Facility shall remain disconnected until such time as the Company is satisfied that the condition(s) referred to in (a) or (b) of this section 3.3 has been corrected. If the Interconnection Customer has not provided a separate point of disconnection for the Generating Facility, such disconnection will result in disconnection of electric service to the Interconnection Customer.

#### 4.0 INTERCONNECTION

- 4.1 The Interconnection Customer shall deliver energy to the Company at the Company's
- 4.2 The Interconnection Customer shall pay for designing, installing, inspecting, operating, and maintaining the electric Generating Facility in accordance with all applicable laws and regulations, and shall comply with all technical standards set forth in WAC Chapter 480-108 and be acceptable to the Company.
- The Interconnection Customer shall pay for the Company's standard watt-hour meter 4.3 electrical hook-up, if not already present.
- 4.4 The Interconnection Customer shall not commence Parallel Operation of the Generating Facility until the Company accepts the Interconnection Customer's Interconnection Facilities in writing. Such acceptance shall not be unreasonably withheld. Unless the Company waives such right, the Company shall have the right to have representatives present at the initial testing of the Interconnection Customer's protective apparatus. The Interconnection Customer shall provide the Company with reasonable advance notice as to when testing is to take place.

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Attachment "I" to Schedule 152, Page 3

#### **PUGET SOUND ENERGY**

#### Attachment "I" Interconnection Agreement

#### 5.0 MAINTENANCE AND PERMITS:

The Interconnection Customer shall:

- obtain any governmental authorizations and permits required to construct and operate the electric Generating Facility and its Interconnection Facilities, including electrical permit(s);
- b. maintain the electric Generating Facility and its Interconnection Facilities in a safe and prudent manner and in conformance with all applicable laws and regulations, including, without limitation, all necessary maintenance to prevent adverse impacts on the Company's Electric System or to the Company's service to other Customers of the Companyand the portions of chapter 480-108 WAC applicable to Tier 1 Interconnections; and
- c. reimburse the Company for any and all losses, costs, expenses, damages, claims, penalties, and liabilities the Company incurs as a result of or related to the Interconnection Customer's failure to obtain or maintain any governmental authorizations and permits required to construct and operate the Interconnection Customer's Generating Facility or failure to maintain the Interconnection Customer's Generating Facility as required in Section 5.0 a.

#### 6.0 ACCESS TO PREMISES

- 6.1 The Company may enter the Interconnection Customer's premises or property to:
  - a. inspect, with prior notice and at all reasonable hours, Interconnection Customer's Generating Facility's protective devices;
  - b. read the meter; and
  - c. disconnect the Generating Facilities at the Company's meter or transformer if, in the Company's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, the Company's facilities, or the property of others from damage or interference caused by the Interconnection Customer's electric Generating Facilities, the lack of properly operating protective devices at the Generating Facilities, or the facilities are not able to be inspected.
- 6.2 The Company's inspection or other action shall not constitute any approval or endorsement by the Company. The Interconnection Customer remains solely responsible for the safe, reliable, and adequate operation of its facilities.

#### 7.0 INDEMNITY AND LIABILITY

7.1 The Interconnection Customer assumes the risk of all damages, losses, costs, and expenses resulting from or in connection with performance of this Agreement. The Interconnection Customer agrees to indemnify the Company, its successors and assigns, and their respective directors, officers, employees, and agents from and against any and all claims, losses, costs, liabilities, damages, and expenses, including, but not limited to

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#### **PUGET SOUND ENERGY**

#### Attachment "I" Interconnection Agreement

reasonable attorneys' fees, that may occur or be sustained by the Company on account of any claim or action brought against the Company for any reason, including, but not limited to loss to the electrical system of the Interconnection Customer, caused by or arising out of any electrical disturbance.

- 7.2 The Interconnection Customer assumes the risk of all damages, losses, costs, and expenses and agrees to indemnify the Company, its successors and assigns, and their respective directors, officers, employees, and agents, from and against any and all claims, losses, costs, liabilities, damages, and expenses, including reasonable attorneys' fees, resulting from the death or bodily injury to any person, including the officers. employees, agents, and subcontractors of either Party to this Agreement, arising out of the Interconnection Customer's negligence or willful misconduct. In connection with any action to enforce the Interconnection Customer's obligations under this Section 7.2 with respect to any claim arising out of bodily injury (including death) of any employee of the Interconnection Customer, the Interconnection Customer waives any immunity, defense, or other protection that may be afforded by any workers' compensation, industrial insurance, or similar laws (including the Washington Industrial Insurance Act, Title 51 RCW). This Section 7.2 will not be interpreted or understood as a waiver of the Interconnection Customer's right to assert any such immunity, defense, or protection directly against any of its own employees or such employee's estate or other representatives.
- 7.3 The provisions of this Section 7 shall not be understood as relieving any insurer of its obligations to pay any insurance claims in accordance with the provisions of any insurance policy.
- 7.4 The Company shall have no liability, ownership interest, control, or responsibility for the Interconnection Customer's electric Generating Facility or its Interconnection with the Company's Electric System, regardless of what the Company knows or should know about the Interconnection Customer's electric Generating Facility or its Interconnection.

#### 8.0 INDEPENDENT CONTRACTORS

The Parties to this Agreement are independent contractors and shall not be deemed to be partners, joint venturers, employees, franchisees or franchisers, servants, or agents of each other for any purpose whatsoever under or in connection with this Agreement.

#### 9.0 GOVERNING LAW

This Agreement shall be interpreted, governed, and constructed under the laws of the State of Washington as if executed and to be performed wholly within the State of Washington. Venue of any action arising hereunder or related to this agreement shall lie in King County, Washington.

#### 10.0 FUTURE MODIFICATION OR EXPANSION

Any future modification or expansion of the Interconnection Customer-owned Generating Facility may require an engineering, safety, and reliability review and authorization by the Company. The Company reserves the rights related to future modification provided in WAC

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#### Attachment "I" Interconnection Agreement

480-108-040(15) The Interconnection Customer must submit an Application for all future modifications or expansions not included in the original application.

#### 11.0 AMENDMENTS, MODIFICATIONS, OR WAIVER

Any amendments or modifications to this Agreement shall be in writing and shall only be as hereafter agreed to by both Parties. The failure of any Party at any time or times to require the performance of any provision in this Agreement shall in no manner affect a Party's right at a later time to enforce the same provision. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be a further or continuing waiver of the same or any similar breach.

#### 12.0 ASSIGNMENT

The Interconnection Customer shall not assign its rights under this Agreement without the express written consent of the Company, which consent the Company will not unreasonably withhold, condition, or delay. The Company may withhold its consent if the entity to which the rights under the Agreement are being assigned cannot, in the Company's sole determination, meet the requirements of this Agreement.

### 13.0 NOTICES

| All written notices shall be directed as follows: |
|---|
| Contact Name and address of PSE:                  |
| Puget Sound Energy, Inc.                          |
| Attn Customer Renewables                          |
| Address   |
| City, State, & Zip                                |
| Interconnection Customer:                         |
| Name  |
| Address   |
| City, State, & Zip                                |

The Interconnection Customer's notices to the Company, pursuant to this Section 13, shall refer to the Service Address set forth in its Application For Interconnecting an Inverter-Based Generating Facility Eligible Under Tier 1.

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#### **PUGET SOUND ENERGY**

### Attachment "I" Interconnection Agreement

#### 14.0 TERM OF AGREEMENT

This Agreement shall be in effect when signed and delivered by the Interconnection Customer and the Company and shall remain in effect thereafter unless terminated by either Party on 30 calendar days' prior written notice in accordance with Section 13.

#### 15.0 SIGNATURES

IN WITNESS WHEREOF, the Parties have caused the originals of this Agreement to be executed by their duly authorized representatives as of the date first written above.

This Agreement is effective as of the last date set forth below.

| INTERCONNECTION CUSTOMER [ ] | PUGET SOUND ENERGY, INC.: |
|------------------------------|---------------------------|
| Signature                    | Signature                 |
| Print name                   | Print name                |
| Title                        | Title                     |
| Date Signed                  | Date Signed               |

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### **PUGET SOUND ENERGY**

# Attachment "J" Interconnection Agreement

# SCHEDULE 152 - INTERCONNECTION AGREEMENT TIER 2 and TIER 3

<u>Tier 2 and Tier 3 Interconnection Agreement</u>
For

Interconnection of Interconnection Customer Electric Generating Facilities other than Net Metering Facilities

(For Generating Facilities No Larger Than 20 MW)

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# **PUGET SOUND ENERGY**

# Attachment "J" Interconnection Agreement

# **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

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|                  | PUGET SOUND ENERGY  |
|------------------|---|
|                  | Attachment "J" Interconnection Agreement  |
|                  |   |
|                  | SCHEDULE 152 - INTERCONNECTION AGREEMENT  |
|                  | nterconnection Agreement ("Agreement") is made and entered into this day of, 20, by Puget Sound Energy, Inc. ("PSE" or the "Company") and ("Interconnection mer"), each within this Agreement being sometimes referred to individually as "Party" |
|                  | mer"), each within this Agreement being sometimes referred to individually as "Party" ferred to collectively as the "Parties."  |
| PSE I            | Information Company Name: Puget Sound Energy, Inc. Attention:   |
|                  | Address:  |
|                  | City: Bellevue State: WA Zip: Phone: Fax:   |
| Interd           | connection Customer Information   |
|                  | Interconnection Customer:   |
|                  | Attention:  |
|                  | Address:  |
|                  | City:State:Zip:   |
|                  | Phone: Fax: Fax:  |
|                  | Customer Account Number if a PSE Customer:  |
| Interco          | onnection Customer Application No:  |
| In con<br>follow | sideration of the mutual covenants set forth in this Agreement, the Parties agree as  |
| Articl           | e 1. Scope and Limitations of Agreement   |
| 1.1              | Applicability This Agreement shall be used for all Tier 2 and Tier 3 Interconnection Requests submitted under the provisions of Schedule 152.   |
| 1.2              | Purpose This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Facility will interconnect with, and Operate in Parallel with, the  |

Company's Distribution System or Transmission System.

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#### SCHEDULE 152 - INTERCONNECTION AGREEMENT

1.3 No Agreement to Purchase or Deliver Power

> This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with PSE and the applicable transmission provider(s).

#### 1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between the Company and the Interconnection Customer.

#### 1.5 Responsibilities of the Parties

- The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- The Interconnection Customer shall construct, interconnect, operate, and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturers' recommended maintenance schedules, with this Agreement, with the rules and regulations of any applicable Governmental Authority, and with Good Utility Practice.
- The Company shall construct, operate, and maintain its Distribution System, 1.5.3 Transmission System, and Interconnection Facilities in accordance with this Agreement and with Good Utility Practice.
- The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicableCodes and Standards, including, without limitation, Chapter 480-108 WAC. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility to reasonably

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#### **PUGET SOUND ENERGY**

# **Attachment "J" Interconnection Agreement**

#### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

minimize the likelihood of a disturbance that adversely affects or impairs the system or equipment of the Company and any Affected Systems.

- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now owns or subsequently may own unless otherwise specified in the appendices to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair, and condition of their respective lines and supplementary facilities on their respective sides of the Point of Common Coupling (PCC). The Company and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Company's Transmission System and/or Distribution System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance, and ownership of Interconnection Facilities shall be delineated in the appendices to this Agreement.
- 1.5.6 The Company shall coordinate with all Affected Systems to support the Interconnection.

# 1.6 Interconnection Customer Operations Obligations

Once the Generating Facility has been authorized to commence Parallel Operation, the Interconnection Customer shall follow Good Utility Practice and abide by all Codes and Standards including rules and procedures of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), and the Northwest Power Pool (NWPP) pertaining to the Generating Facility in the applicable transmission control area. These rules and procedures include, but are not limited to 1) the rules and procedures concerning the operation of generation set forth in the Tariff (including as it is revised from time to time) or by the applicable system operator(s) for the Company's Transmission System or Distribution System; and 2) the Operating Requirements set forth in Appendix 4 of this Agreement.

#### 1.7 Metering

All costs associated with meter installation, metering for purposes of selling electricity to the Company, and meter communications shall be paid by the Interconnection Customer. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

### 1.8 Reactive Power

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#### **PUGET SOUND ENERGY**

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#### SCHEDULE 152 - INTERCONNECTION AGREEMENT

- 1.8.1 The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at a continuous rated power output at the PCC at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Company has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.
- 1.8.2 The Company is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when the Company requests the Interconnection Customer to operate its Generating Facility outside the range specified in article 1.8.1. In addition, if the Company pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.
- 1.8.3 Payments shall be at the same rate that is charged to the Interconnection Customer for reactive power under the applicable rate schedule for electric service.

#### 1.9 Definitions

Defined terms used in this Agreement are typically capitalized to indicate to the reader that they are defined. Terms used in this Agreement have the meanings indicated in the body of this Agreement or the meanings specified in Schedule 80 or 152. If a term is used exclusively in this Agreement and is not defined in Schedule 80 or 152, then it shall have the meaning specified below.

Affected System – an electric system other than the Company's Transmission System that may be affected by the proposed Interconnection.

Applicable Laws and Regulations – all officially stated federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, judicial or administrative orders, permits, and other duly authorized actions of any Governmental Authority that apply to this Agreement.

Business Day – Monday through Friday, excluding state and Federal holidays.

Company or PSE – Puget Sound Energy, Inc.

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### **PUGET SOUND ENERGY**

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#### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

Default – the failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – the Company's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks that transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas but are less than 50,000 volts.

Distribution Upgrades – the additions, modifications, and upgrades to the Company's Distribution System, including, but not limited to, protection equipment, relays and communication equipment, at or beyond the Company's side of the Point of Interconnection to enable Interconnection of the Generating Facility.

Electric System – all electrical wires, equipment, and other facilities owned by the Company and used to transmit electricity to Customers.

Emergency Conditions – a condition or situation that (1) in the judgment of the Party making the claim is imminently likely to endanger life or property; (2) in the case of the Company, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of or damage to the Transmission System or Distribution System, the Company's Interconnection Facilities, or the Transmission Systems of others to which the Transmission System is directly connected; or (3) in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of or damage to the Generating Facility or the Interconnection Customer's Interconnection Facilities.

Generating Facility – an electrical generating facility owned, or the electrical output of which generating facility is owned, by the Interconnection Customer and is located on the Interconnection Customer's side of the Point of Common Coupling, together with ancillary and appurtenant facilities, including Interconnection Customer-owned Interconnection Facilities, that is the subject of an Interconnection request by the Interconnection Customer.

Good Utility Practice – (a) any of the practices, methods, and acts that when engaged in are commonly used in prudent electric utility engineering and operations during the relevant time period to operate and maintain electric equipment lawfully and with safety,

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#### **PUGET SOUND ENERGY**

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#### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

reliability, efficiency, and expedition; or (b) if no such practices, methods, and acts exist, then those practices, methods, and acts that, in the exercise of reasonable judgment considering the facts known when engaged in, could have been expected to achieve the desired result consistent with applicable law, safety, reliability, efficiency, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods, or acts.

Governmental Authority – any federal, state, local, or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power. This term does not include the Interconnection Customer, the Company, or any affiliate thereof.

Interconnection Customer – the entity that proposes to Interconnect, or has executed an Interconnection Agreement with the Company. The Interconnection Customer must:

- Own a Generating Facility Interconnected or proposed to be Interconnected to the PSE Electric System; or
- Be a Customer-Generator (as defined in Schedule 150 of this tariff) of netmetered facilities.

The Interconnection Customer is responsible for the Generating Facility, and may assign to another party responsibility for compliance with the requirements of the Agreement and WAC 480-108 only with the express written permission of the Company.

Interconnection Facilities – the electrical wires, switches, and other equipment owned by either the Company or the Interconnection Customer and used to Interconnect a Generating Facility to the Company's existing Electric System. =Interconnection Facilities are located between the Generating Facility and the Point of Interconnection. Interconnection Facilities do not include extension of the Company's Electric System to a PCC requested by the Interconnection Customer or required by the Company.

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### **PUGET SOUND ENERGY**

# Attachment "J" Interconnection Agreement

#### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

Interconnection Request – the Interconnection Customer's request, in accordance with the Schedule 152 through an Application in the form of Attachment I or J to Schedule 152 (1) to interconnect a new Generating Facility, or (2) to increase the capacity of or make a Material Modification to the operating characteristics of an existing Generating Facility that is interconnected with the Company's Transmission System or Distribution System.

Material Modification – a modification that significantly affects the cost or timing of any other Interconnection Request later in the queue.

Network Upgrades – additions, modifications, and upgrades to the Company's Transmission System that are required at or beyond the point at which the Generating Facility interconnects with the Company's Transmission System to accommodate the Interconnection of the Generating Facility with the Company's Transmission System. Network Upgrades include protection equipment (including relays and interconnecting communication equipment). Network Upgrades do not include Distribution Upgrades.

Operating Requirements – any operating and technical requirements that may be applicable due to regional transmission organization, independent system operator, balancing authority area, Chapter 480-108 WAC, or that are set forth or referred to in this Agreement.

Party or Parties – the Company or the Interconnection Customer or any combination thereof.

Reasonable Efforts – efforts by a Party that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Tariff – the Company's electric Tariff "G" 'through which Interconnection Service is offered, as filed with the WUTC, and as amended or supplemented from time to time, or any successor tariff.

Transmission System – the facilities owned, controlled, or operated by the Company that are designed to transmit 50,000 volts or more and to which the Generating Facilities are Interconnected.

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Upgrades – the required additions and modifications to the Company's Transmission System or Distribution System at or beyond the Company's side of the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades.

WUTC – the Washington Utilities and Transportation Commission or its successor.

# Article 2. Inspection, Testing, Authorization, and Right of Access

# 2.1 Equipment Testing and Inspection

- 2.1.1 The Interconnection Customer shall test and inspect its Generating Facility and Interconnection Facilities prior to Interconnection. The Interconnection Customer shall notify the Company of such activities no fewer than 10 Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day unless otherwise agreed between the Parties. The Company may, at the Interconnection Customer's expense, send qualified personnel to the Generating Facility site to inspect the Interconnection and observe the testing. The Interconnection Customer shall provide the Company with a written test report when such testing and inspection is completed.
- 2.1.2 The Company shall provide the Interconnection Customer with written acknowledgement that it has received the Interconnection Customer's written test report. Such written acknowledgement shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Company of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer, or the quality of power produced by the Generating Facility.

### 2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Company shall use Reasonable Efforts to list applicable Parallel Operation requirements in Appendix 4 of this Agreement. Additionally, the Company shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Company shall make Reasonable Efforts to cooperate

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with the Interconnection Customer to commence Parallel Operations by the inservice date.

2.2.2 The Interconnection Customer shall not operate its Generating Facility in parallel with the Company's Transmission System or Distribution System without prior written authorization of the Company. The Company will provide such authorization after the Company receives notification that the Interconnection Customer has complied with all applicable Parallel Operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

# 2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Company may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Generating Facility first produces energy to inspect the Interconnection and observe the commissioning of the Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial startup of the unit. In addition, the Interconnection Customer shall notify the Company at least five Business Days prior to conducting any on-site verification testing of the Generating Facility.
- 2.3.2 In the event of an emergency or hazardous condition, the Company shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its other Customers. The Interconnection Customer shall be responsible for all costs related to its own Generating Facility or Interconnection Facilities.

# Article 3. Effective Date, Term, Termination, and Disconnection

### 3.1 Effective Date

This Agreement shall become effective upon the latest date of execution by both Parties, as indicated by the date following the signature of each Party.

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# 3.2 <u>Term of Agreement</u>

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of 10 years from the Effective Date, or such other longer period as the Interconnection Customer may request, and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

# 3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

- 3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Company 20 Business Days' written notice.
- 3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6
- 3.3.3 Upon termination of this Agreement, the Generating Facility will be disconnected from the Company's Transmission System and Distribution System. All costs required to effect such disconnection shall be borne by the Interconnection Customer, unless such termination resulted from the Company's Default or the Company is otherwise responsible for these costs.
- 3.3.4 The termination of this Agreement shall relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

#### 3.4 Temporary Disconnection

Temporary disconnection with reasonable advance notice shall continue only for so long as reasonably necessary under Good Utility Practice or if the temporary disconnection is due to non-payment by the Interconnection Customer, until the payment or satisfactory payment arrangements have been made. If the Generating Facility does not have a separate point for disconnection acceptable to the Company, temporary disconnection may also result in disconnection of electric service.

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3.4.1 <u>Emergency Conditions</u> -- Under Emergency Conditions, the Company may immediately suspend Interconnection service and temporarily disconnect the Interconnection Customer's Generating Facility.

# 3.4.2 Routine Maintenance, Construction, and Repair

The Company may interrupt Interconnection service or curtail the output of the Generating Facility and temporarily disconnect the Generating Facility from the Company's Transmission System or Distribution System when necessary for routine maintenance, construction, operation, and repairs on the Company's Transmission System or Distribution System. The Company shall provide the Interconnection Customer with notice five Business Days prior to such interruption. The Company shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

# 3.4.3 Forced Outages

During any forced outage, the Company may suspend Interconnection service to effect immediate repairs on the Company's Transmission System or Distribution System.

# 3.4.4 Adverse Operating Effects

The Company shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same PSE Electric System, or if operating the Generating Facility could cause damage to the Company's Transmission System, Distribution System, or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within the time specified in the notice, the Company may disconnect the Generating Facility. The Company shall provide the Interconnection Customer with five Business Days of notice of such disconnection, unless the provisions of article 3.4.1 apply.

# 3.4.5 Modification of the Generating Facility

The Interconnection Customer must receive written authorization from the Company before making any changes to the Generating Facility that may have a material impact on the safety or reliability of the Transmission System or Distribution System. Such authorization shall not be unreasonably withheld.

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Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Company's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility.

#### 3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Company's Transmission System and/or Distribution System to their normal operating state as soon as reasonably practicable following a temporary disconnection. Interconnection Customers with a Generating Facility greater than 2 MW must call the Company's System Operation office prior to reconnection.

# Article 4. Cost Responsibility

#### 4.1 Interconnection Facilities

- 4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Appendix 1 of this Agreement. The Company shall provide to the Interconnection Customer a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Company.
- 4.1.2 The Interconnection Customer shall be responsible for all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities; and (2) operating, repairing, and replacing the Company's Interconnection Facilities to the extent they are used for the Interconnection Customer's Interconnection and maintain those dedicated to the Interconnection Customer; and. (3) any costs associated with any future upgrade or modification to the Interconnection Customer's Interconnected system required by modifications in the Company's Electric System.

#### 4.2 Distribution Upgrades

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The Company shall design, procure, construct, install, and own the Distribution Upgrades described in Appendix 5 of this Agreement. If the Company and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

# 4.3 Commissioning, Startup, Operation

The Interconnection Customer shall be responsible for all costs related to the Company's observation of the commissioning, startup, and operation.

# Article 5. Cost Responsibility for Network Upgrades

# 5.1 Applicability

This article 5 shall apply only if the Interconnection of the Generating Facility requires Network Upgrades.

# 5.2 Network Upgrades

The Company shall design, procure, construct, install, and own the Network Upgrades described in Appendix 5 of this Agreement. If the Company and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Company elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne by the Interconnection Customer.

### 5.3 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing in this Agreement shall be construed as relinquishing or foreclosing any rights that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, any transmission capacity created by the Network Upgrades. These rights include but are not limited to: firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Generating Facility.

#### Article 6. Billing, Payment, Milestones, and Financial Security

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# 6.1 Billing and Payment Procedures and Final Accounting

- 6.1.1 After the Company delivers the results of each study and completes the design, engineering, procurement, and construction, the Company shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement. The Interconnection Customer shall pay each bill as described in Schedule 80, Section 14, of this tariff.
- 6.1.2 Within three months of completing the construction and installation of the Company's Interconnection Facilities and/or Upgrades described in the appendices to this Agreement, the Company shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous deposit(s) to the Company for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Company shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Company within 15 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Company shall refund to the Interconnection Customer an amount equal to the difference within 15 calendar days of the final accounting report.

#### 6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Appendix 3 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Appendix 3. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone that has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

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# 6.3 Financial Security Arrangements

At the time of execution of the Interconnection Agreement, the Interconnection Customer must pay 50% of the estimated costs to complete the Interconnection. If the Interconnection Customer fails to meet the credit requirements of the Company, the Interconnection Customer shall provide the Company a guarantee, surety bond, letter of credit, or other form of security that is reasonably acceptable to the Company and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the remaining costs for constructing, designing, procuring, and installing the applicable portion of the Company's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Company under this Agreement during its term. In addition, (1) the guarantee must be made by an entity that meets the creditworthiness requirements of the Company, must be in a form acceptable to the Company, and must contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-tomaximum amount, and (2) the letter of credit or surety bond must be issued by a financial institution or insurer that has offices in the State of Washington and is reasonably acceptable to the Company, must be in a form acceptable to the Company, and must specify a reasonable expiration date no sooner than one year following the expected date of completion of Interconnection.

# Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

# 7.1 Assignment

This Agreement may be assigned by either Party with 15 Business Days' prior written notice and the opportunity to object by the other Party, provided that:

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party that has (1) a credit rating equal to or greater than the assigning Party, and (2) the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the assigning Party promptly notifies the other Party of any such assignment;
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Company, for collateral security purposes to aid in

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providing financing for the Generating Facility, provided that the Interconnection Customer promptly notifies the Company of any such assignment

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, because of being assigned. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned, or delayed.

If this Agreement is, pursuant to this article 7, assigned in connection with the sale or other transfer of the Generation Facilities, the new owner of the Generation Facilities must execute a new Interconnection Agreement with the Company.

# 7.2 <u>Limitation of Liability</u>

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

#### 7.3 Indemnity

- 7.3.1 This article 7.3 protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.
- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from any and all damages, losses, claims (including claims and actions relating to injury to or death of any person or damage to property), demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties arising out of or resulting from the other Party's action or

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failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

- 7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails to assume the defense of such claim after notice and reasonable opportunity to proceed under this article, the indemnified person may contest, settle, pay in full, or consent to the entry of any judgment with respect to such claim at the expense of the indemnifying Party.
- 7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, minus the payment of any insurance or other recovery fees.
- 7.3.5 Promptly after an indemnified person receives any claim or notice of the commencement of any action, administrative or legal proceeding, or investigation regarding an indemnity to which this article may apply, the indemnified person shall notify the indemnifying Party of such claim or notice. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

### 7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs, or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, or cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability. Damages for which one Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages under this article.

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# 7.5 Force Majeure

- 7.5.1 As used in this article, a Force Majeure event shall mean: any act of God, labor disturbance, act of the public enemy, act of terror, war, insurrection, riot, fire, storm or flood, explosion, breakage, or accident to machinery or equipment; any order, regulation, or restriction imposed by governmental, military, or lawfully established civilian authorities; or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.
- 7.5.2 If a Force Majeure event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure event. The notification must specify in reasonable detail the circumstances of the Force Majeure event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

### 7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall notify the defaulting Party in writing about the Default. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days after receiving the Default notice to cure such Default. If such Default is not capable of being cured within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months after receiving the Default

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notice. If cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for in this provision, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until a cure occurs, and shall be relieved of any further obligation under this Agreement, whether or not that Party terminates this Agreement. The non-defaulting Party shall also have the right to recover from the defaulting Party all amounts due, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

#### Article 8. Insurance

#### 8.1 Maintained by Interconnection Customer

For Generating Facilities of 100 kW or more, the Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the Interconnection undertaken in carrying out this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being Interconnected, the Interconnection itself, and the characteristics of the system to which the Interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a Generating Facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State of Washington. Certification that such insurance is in effect shall be provided upon request of the Company and no later than 10 Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

# 8.2 Maintained by Company

The Company agrees to maintain general liability insurance or self-insurance consistent

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with the Company's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Company's liabilities undertaken according to this Agreement.

# 8.3 Notification

The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

# Article 9. Confidentiality

# 9.1 Definition

Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement, all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

#### 9.2 Exclusion

Confidential Information does not include information previously in the public domain, required to be publicly submitted, or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party or to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information

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without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

# 9.3 Request for Treatment

Notwithstanding anything in this article to the contrary, during the course of any filing or otherwise, should information that is treated as confidential under this Agreement be submitted to the WUTC, such information shall be submitted with a request that the information be treated as confidential and non-public according to WAC 480-07-160.

### Article 10. Disputes

Disputes that arise under this Agreement shall be addressed in accordance with Chapter 480-07 WAC Part 1, Part III Subpart A or Subpart D, or Part IV, as the same may be changed from time to time.

# Article 11. Taxes

#### 11.1 Applicable Tax Laws

The Parties agree to follow all applicable tax laws and regulations, consistent with State of Washington policy and Internal Revenue Service requirements.

#### 11.2 Cooperation

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Company's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

#### Article 12. Miscellaneous

# 12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of Washington, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations.

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Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

# 12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

# 12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations assumed under this Agreement are solely for the use and benefit of the Parties, their successors in interest, and where permitted, their assigns.

### 12.4 Waiver

- 12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement.

  Termination or default of this Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an Interconnection from the Company. Any waiver of this Agreement shall, if requested, be provided in writing.

#### 12.5 Entire Agreement

This Agreement, including all appendices hereto, constitutes the entire agreement between the Parties with reference to the subject matter within this Agreement and supersedes all prior and contemporaneous understandings and agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants that constitute any part

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of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

# 12.6 <u>Multiple Counterparts</u>

This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

# 12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

# 12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore as far as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

#### 12.9 Security Arrangements

Infrastructure security of PSE Electric System equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Company and the Interconnection Customer shall comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority.

# 12.10 Environmental Releases

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Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable; provided, that such Party shall make a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

#### 12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from using the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement. Each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made. In no event shall the Company be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 12.11.2 The obligations under this article will not be limited in any way by any limitation of a subcontractor's insurance.

#### 12.12 Reservation of Rights

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### **PUGET SOUND ENERGY**

# Attachment "J" Interconnection Agreement

#### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

The Company shall have the right to make a unilateral filing with the Washington Utilities and Transportation Commission ("WUTC") to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation, and the WUTC's rules and regulations. The Interconnection Customer shall have the right to make a unilateral filing with the WUTC under any applicable provision of the WUTC's rules and regulations (e.g., WAC 480-07-910 or WAC 480-07-370). Each Party shall have the right to protest any such modification, filing, or complaint by the other Party and to participate fully in any proceeding before the WUTC.

#### Article 13. Notices

#### 13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by a recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

| To the Interconnection Custo | omer: |        |      |
|------------------------------|-------|--------|------|
| Interconnection Cust         | omer: |        |      |
| Attention:                   |       |        |      |
| Address:                     |       |        |      |
| City:                        |       | State: | Zip: |
| Phone:                       | Fax:  |        |      |
| To the Company:              |       |        |      |
| Company:                     |       |        |      |
| Attention:                   |       |        |      |
| Address:                     |       |        |      |
| City:                        |       | State: | Zip: |
| Phone:                       | Fax:  |        |      |

# 13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

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# **PUGET SOUND ENERGY**

# **Attachment "J" Interconnection Agreement**

# **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

| Тс              | the Interconnection Custon   | mer:   |  |
|-----------------|--|--|--|
|                 | Interconnection Custo  | mer:   |  |
|                 | Attention:   |  |  |
|                 | Address:   |  |  |
|                 | City:  | State:   | Zip:   |
| То              | o the Company:   |  |  |
|                 | Company:   |  | <del></del>                                      |
|                 | Attention:   |  |  |
|                 | Address:   |  |  |
|                 | City:  | State:   | Zip:   |
| no<br>fac       | ot required by this Agreemen   | d or permitted to be given by either land to be given in writing may be so go ephone numbers and e-mail addressed mer: | given by telephone,                              |
| no<br>fac       | ot required by this Agreement csimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  | nt to be given in writing may be so gephone numbers and e-mail addressemer:  mer:                                      | given by telephone, as set out below:            |
| no<br>fac       | ot required by this Agreement cosimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address:   | nt to be given in writing may be so gephone numbers and e-mail addressemer:  | given by telephone, es set out below:            |
| no<br>fac       | ot required by this Agreement csimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address:  City:   | nt to be given in writing may be so gephone numbers and e-mail addressemer:  mer:                                      | ziven by telephone, s set out below:  Zip:       |
| no<br>fac       | ot required by this Agreement cosimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address:  City:  Phone:  | nt to be given in writing may be so gephone numbers and e-mail addressemer:  | ziven by telephone, es set out below:  Zip:      |
| no<br>fac<br>To | ot required by this Agreement cosimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address:  City:  Phone:  | nt to be given in writing may be so gephone numbers and e-mail addressemer:  mer: State:Fax:                           | ziven by telephone, es set out below:  Zip:      |
| no<br>fac<br>To | ot required by this Agreement cosimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address:  City:  Phone: Email:   | nt to be given in writing may be so gephone numbers and e-mail addressemer:  mer: State:Fax:                           | ziven by telephone, es set out below:  Zip:      |
| no<br>fac<br>To | ot required by this Agreement csimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address:  City: Phone: Email:  of the Company: Company: Attention:  | nt to be given in writing may be so gephone numbers and e-mail addressemer:  mer: State:State:                         | ziven by telephone, es set out below:  Zip:      |
| no<br>fac<br>To | ot required by this Agreement csimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address:  City: Phone: Email:  of the Company: Company: Attention:  | nt to be given in writing may be so gephone numbers and e-mail addressemer:  mer: State:State:                         | ziven by telephone, es set out below:  Zip:      |
| no<br>fac<br>To | ot required by this Agreement csimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address:  City: Phone: Email:  of the Company: Company: Attention:  | nt to be given in writing may be so gephone numbers and e-mail addressemer:  mer: State:State:State:                   | ziven by telephone, s set out below:  Zip:  Zip: |
| no<br>fac<br>To | ot required by this Agreement cisimile, or e-mail to the teles of the Interconnection Custon Interconnection Custon Attention:  Address: City: Phone: Email: Othe Company: Company: Attention: Address: City: Phone: Othe Company: Company: Attention: Address: City: Phone: | nt to be given in writing may be so gephone numbers and e-mail addressemer:  mer:  State:  State:                      | ziven by telephone, s set out below:  Zip:  Zip: |

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### **PUGET SOUND ENERGY**

### Attachment "J" Interconnection Agreement

### SCHEDULE 152 - INTERCONNECTION AGREEMENT

#### 13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications that may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

| interconnection Cus  | stomer:           |      |
|--|-------------------|------|
| Attention:   |                   |      |
| Address:   |                   |      |
| City:  | State:            | Zip: |
|  | 24/7 Phone:       |      |
| Fax:   |                   |      |
| r '1   |                   |      |
| Email: eany's Operating Repr                               | esentative:       | _    |
| any's Operating Repr                                       | esentative:       | _    |
| any's Operating Repr<br>Company:                           | esentative:       |      |
| any's Operating Repr<br>Company:<br>Attention:             | esentative:       |      |
| any's Operating Repr<br>Company:<br>Attention:<br>Address: | esentative:       |      |
| any's Operating Repr<br>Company:<br>Attention:<br>Address: | esentative:State: |      |

### 13.5 Changes to the Notice Information

Either Party may change this information by giving written notice five Business Days' prior to the effective date of the change.

#### 13.6 Incorporation of WAC Provisions

If the Generating Facility qualifies for Tier 2 Interconnection, the provisions of Chapter 480-108 WAC, applicable to a Tier 2 Generating Facility, are hereby incorporated into this Agreement as if fully set forth herein.

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# **PUGET SOUND ENERGY** Attachment "J" Interconnection Agreement

### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

If the Generating Facility qualifies for Tier 3 Interconnection, the provisions of Chapter 480-108 WAC, applicable to a Tier 3 Generating Facility, are hereby incorporated into this Agreement as if fully set forth herein.

### Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

| For the C | Company                 |  |
|-----------|-------------------------|--|
| Name: _   |                         |  |
| Title: _  |                         |  |
| Date:     |                         |  |
| For the I | nterconnection Customer |  |
|           | nterconnection Customer |  |
| Name: _   |                         | Production of the second of th |
| Title: _  |                         |  |
| Date:     |                         |  |

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### **PUGET SOUND ENERGY**

### Attachment "J" Interconnection Agreement

### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

Appendix 1 to Interconnection Agreement

Description and Costs of the Generating Facility, Interconnection Facilities, and Metering Equipment

This Appendix 1 shall list equipment, including the Generating Facility, Interconnection Facilities, and metering equipment, shall be itemized and identified as being owned by the Interconnection Customer or the Company. The Company will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment. The Interconnection Customer shall provide the Company an estimate of the cost of the Generating Facility and the Company shall complete this Appendix.

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### **PUGET SOUND ENERGY**

### Attachment "J" Interconnection Agreement

### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

Appendix 2 to Interconnection Agreement

One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

The Interconnection Customer shall provide a one-line diagram of the Generating Facility and any Interconnection Facilities that will be owned by the Interconnection Customer. The Company will complete this Appendix with Company Interconnection Facilities, System Upgrades and metering equipment.

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| Attachment "J" Interconnection Agreement |  |
|  | PUGET SOUND ENERGY                       |

### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

Appendix 3 to Interconnection Agreement

|                                 | Mileston   | nes  |      |
|---------------------------------|--|--|------|
| Proposed In-Service Date:       |  | -  |      |
| Critical milestones and respons | sibility as agreed to by the   | e Parties:   |      |
| Milesto                         | one/Date   | Responsible Party  |      |
| (1)                             |  |  |      |
| (2)                             |  |  |      |
| (3)                             |  |  | ···· |
| (4)                             |  | _  |      |
| (5)                             | MANAGEMENT AND   | Manufacture of the Control of the Co |      |
| (6)                             | No. of the Control of | ···  |      |
| (7)                             |  | ***  |      |
| (8)                             |  |  |      |
| (9)                             |  | -  |      |
| (10)                            |  |  |      |
| The Company shall complete th   | ne above portion and sign l  | below.   |      |
| Agreed to by:                   |  |  |      |
| For the Company                 | Date_  |  |      |
| For the Interconnection Custom  | er   | Date   |      |

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### **PUGET SOUND ENERGY**

### Attachment "J" Interconnection Agreement

### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

Appendix 4 to Interconnection Agreement

Additional Operating Requirements for the Company's

Transmission System, Distribution System, and Affected Systems Needed to Support the
Interconnection Customer's Needs

The Company shall complete this Appendix and also provide requirements that must be met by the Interconnection Customer prior to initiating Parallel Operation with the Company's Transmission System or Distribution System.

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### **PUGET SOUND ENERGY**

## **Attachment "J" Interconnection Agreement**

### **SCHEDULE 152 - INTERCONNECTION AGREEMENT**

Appendix 5 to Interconnection Agreement

Company's Description of its Upgrades and Best Estimate of Upgrade Costs

The Company shall complete this Appendix and describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Company shall classify the costs as either distribution-related or transmission-related.

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### **PUGET SOUND ENERGY**

### Attachment "K" PSE GENERATION INTERCONNECTION CONTACTS

# SCHEDULE 152 GENERATION INTERCONNECTION CONTACTS

The following contact information is provided so that you, as a customer of PSE, can request information about connecting electricity generating facilities to your electric system or directly to PSE's Electrical System. More information about interconnecting electricity you generate can be found in Schedule 152 and its attachments included in PSE's electric tariff, available at PSE.COM.

Information about connecting back-up or stand-by electricity generation can be found in paragraph 33 of the PSE tariff Schedule 80.

For questions about generation that is 100 kW or less and that will be "net metered" under PSE's tariff Schedule 150, please contact:

Customer Renewable Energy Programs EST-10E P.O. Box 97034 Bellevue, WA 98009-9734

Telephone: 800-562-1482 Facsimile: 425-456-2706

To apply electronically for Net-Metering Interconnection, scan and email the Application and Agreement to the following address:

netmetering@pse.com

For questions about all other generation that will be connected to PSE's Electric System Distribution System, please contact:

Customer Renewable Energy Programs Local Energy Development EST-10E P.O. Box 97034 Bellevue, WA 98009-9734

Telephone: 425-456-2992 Facsimile: 425-456-2706 Issued: September 2, 2014
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Attachment "1" to Schedule 1

Attachment "L" to Schedule 152, Page 1

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### **PUGET SOUND ENERGY**

Attachment "L" Estimating Time and Cost for Interconnection Studies and Construction

# SCHEDULE 152 Estimating Time and Cost for Interconnection Studies and Construction

In order to interconnect to the Company's electrical distribution system and sell power, , for Tier 2 and Tier 3 Interconnection request a series of studies may need to be conducted to ensure safety and reliability for all PSE customers. Both federal and state laws explicitly state that all of the costs of Interconnection, including the studies, the Interconnection Facilities, and all other equipment and Upgrades necessary for the Interconnection, will be borne by the project developer (the Interconnection Customer) and not by other utility customers.

The following subsections outline the costs, time, and information required for completing a 100 KW to 20 MW power generation project.

### Costs

### Preliminary Assessment

A rough overview of interconnection feasibility can be obtained for a single site for a fee of \$300 per site.

### <u>Application</u>

Application fee: \$500 for a proposed system of less than 300KW or \$1,000 for a proposed system of 300KW or greater

### Scoping Meeting

This meeting takes place after the Interconnection Customer submits a complete Interconnection Application.

### Feasibility Study

This study takes place after the Company accepts the Application from the Interconnection Customer.

Feasibility Study typical estimated cost: \$2,500 (required deposit of \$1,000 or 50% of the estimated cost, whichever is less)

### System Impact Study

This study takes place after the Company accepts the Application from the Interconnection Customer.

System Impact Study typical estimated cost: \$10,000 (required deposit of \$1,000 or 50% of the estimated cost, whichever is less)

### Facilities Study

This study takes place after the Company accepts the Application from the Interconnection Customer.

Facilities Study typical estimated cost: \$12,000 (required deposit of \$1,000 or 50% of the estimated cost, whichever is less)

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Attachment "L" to Schedule 152, Page 2

### **PUGET SOUND ENERGY**

### Attachment "L" Estimating Time and Cost for Interconnection Studies and Construction

### Construction

Construction costs are estimated in the System Impact Study and refined in the Facilities Study.

Construction study typical estimated cost: \$25,000. However, some projects have been in the \$40,000 range.

Construction estimated costs: Interconnection construction costs have ranged from \$100,000 to over \$1,000,000.

### **Timelines**

The process to go through the application, scoping meeting, three studies, and construction typically takes about 12 months. The time estimates below are the Company's target turnaround times. Incomplete applications, changes to system plans, and difficulties during studies can increase these times.

Scoping Meeting: 10 business days

Feasibility Study: 30 business Days

System Impact Study: 30 Business Days

Facilities Study: 30 Business Days

Construction: Variable

### Starting the Application Process

To get started, the Interconnection Customer must fill out and deliver to the Company an application in the form of Schedule 152, Attachment B, which is the initial application to begin the Interconnection process. With the application, the Interconnection Customer shall provide an electrical one-line schematic stamped and signed by a licensed Washington State Professional Electrical Engineer.

### Initial Information for Scoping Meeting:

| Project Background and Objectives                               |
|---|
| Puget Sound Energy's primary point of contact for this project: |
| Name:   |
| Address:  |

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### **PUGET SOUND ENERGY**

| City:                                  | State:  | Zip:                      |
|--|---|---------------------------|
| Telephone (Day):                       |   |                           |
| Fax:                                   |   |                           |
| Provide a brief description of this pr | oject – location, resource, technolo                                    | ogy, generation potential |
|  |   |                           |
| Expected date to go-live with this ge  | eneration:  |                           |
| Have you successfully completed si     | milar efforts? Yes  | No                        |
| Consulting engineer for this project:  |   |                           |
| Name:                                  |   |                           |
| Address:                               |   |                           |
| City:                                  |   |                           |
| Telephone (Day):                       | (Evening):  |                           |
| Fax:                                   | E-Mail Address:   |                           |
| Describe the status of securing the f  | financial resources necessary for tl                                    | nis project:              |
|  |   |                           |
| Provide any pertinent details regardi  | ing site control – Do you own the lassary easements, permits or other o |                           |

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| PUGET SOUND ENERGY  |  |  |
|---|--|--|
| Attachment "L" Estimating Time and Cost for Interconnection Studies and Construction  |  |  |
|   |  |  |
| Are there any site control issues that may hold up construction of this project? (e.g., power lines crossing state roadways, railroad crossings or rivers) Yes No |  |  |
| If Yes, please describe:  |  |  |

### Questions and issues to be discussed in the scoping meeting

- Initial impacts to the distribution system?
- How far is the project from the substation?
- Some jurisdictions require underground vs. overhead power.
- Will this be a single or three-phase connection?
- Review one-line drawing and site plan (a three line will be required in the Facilities Study)
- Has the generating customer demonstrated site control?
- Have you registered as a Qualifying Facility? (Go to the FERC website for information about this question.)
- Planned and unplanned shut downs for PSE maintenance and the potential to have dedicated or alternate feeder circuits to minimize generation interruptions.
- Has your engineer read and become familiar with PSE's Small Generation Technical Specifications? (Go to the URL below for the specifications.)

### Internet Links and More Information

In-depth information on small generator interconnection:

http://pse.com/aboutpse/Rates/Pages/Electric-Rate-Schedules.aspx?Schedule x0020 Type=Rules

PSE Small Generation Technical Specifications & Operating Protocols and Procedures:

http://www.oatioasis.com/PSEI/PSEIdocs/PSE-ET-160.70 NonFERC 11Nov21a.pdf

PSE 2013 Electric Service Handbook:

http://pse.com/accountsandservices/Construction/Documents/1220.pdf

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PUGET SOUND ENERGY

# Attachment "L" Estimating Time and Cost for Interconnection Studies and Construction

The project will, in most cases, need to be a Qualified Facility with FERC. Information can be found at:

http://www.ferc.gov/industries/electric/gen-info/qual-fac.asp

If the project requires new electric service, you will need to apply separately well in advance of when you'll need service and locate the details on the final one-line drawing during the study phase. The application for electric service is located here:

http://pse.com/accountsandservices/Construction/CCS%20Forms/1378 201E.pdf

### Power Purchase Agreement (PPA) for Projects up to 20 MW:

The PPA, addressed in Schedule 91, is pre-approved, there is no negotiation expense, and the current 10- or 15-year agreement offers higher than projected wholesale cost of power. The PPA can be signed once the System Impact Study is completed, which is well before any construction will begin.

There is a value for the Renewable Energy Credits (RECs) and PSE has the right of first refusal to purchase RECs from projects under Schedule 91. The contract for the RECs is separate from the PPA and can be signed prior to, but contingent upon, completion of the project. Please note that not all projects are eligible for REC sales. Further discussion on RECs can occur at the scoping meeting.

Information about PSE's standard offer Purchase Power Agreement, schedule 91:

http://pse.com/aboutpse/Rates/Documents/elec\_sch\_091.pdf

http://pse.com/aboutpse/Rates/Documents/elec\_sch\_091\_attach\_a.pdf

For questions, contact the Company at:

Customer Renewable Energy Programs Local Energy Development EST-10E P.O. Box 97034 Bellevue, WA 98009-9734

Telephone: 425-456-2992 Fax: 425-456-2706