

**EXH. CLS-10C
DOCKET UE-20____
2020 PSE PCORC
WITNESS: CINDY L. SONG**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent

Docket UE-20____

**NINTH EXHIBIT (CONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

CINDY L. SONG

ON BEHALF OF PUGET SOUND ENERGY

**REDACTED
VERSION**

DECEMBER 9, 2020

DAY AHEAD NOTICE CAPACITY & ENERGY SURPLUS SALE AGREEMENT

executed by the

BONNEVILLE POWER ADMINISTRATION

and

PUGET SOUND ENERGY

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This SURPLUS SALE AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA) and PUGET SOUND ENERGY (PSE) a Washington corporation organized under the laws of the State of Washington. BPA and PSE are sometimes referred to individually as “Party” and collectively as “Parties.”

RECITALS

BPA is authorized by Federal law, including the Pacific Northwest Electric Power Planning and Conservation Act (Public Law 96-501, the "Northwest Power Act") and other applicable laws, to dispose of surplus electric power and capacity generated at various Federal hydroelectric projects in the Pacific Northwest or acquired from other resources.

The Parties agree:

1. TERM

This Agreement shall take effect on the date signed by BPA and PSE (Effective Date). Capacity and energy deliveries under this agreement shall be available to commence on the hour beginning 0000 on January 1, 2022, and continue through the hour ending 2400 on December 31, 2026 (Delivery Period). All liabilities incurred by each Party hereunder will be preserved until satisfied, notwithstanding the expiration or termination of this Agreement.

2. DEFINITIONS

Capitalized terms in this Agreement shall have the meanings defined below, in the exhibits or in the body of this Agreement. Capitalized terms not defined in this Agreement will have the meaning specified in the WSPP Agreement effective September 24, 2019.

- (a) "Asset Controlling Supplier" or "ACS" means a specific type of electric entity approved and registered by the California Air Resources Board (CARB) for mandatory reporting of greenhouse gas emissions under which BPA qualifies.
- (b) "Business Day" means every Monday through Friday except Federal Holidays.
- (c) "Contract Capacity" means Firm Capacity, expressed in megawatts (MW), which BPA has available as surplus capacity and makes available to PSE up to the contracted amount of 100 MW upon pre schedule notice.
- (d) "Contract Price" is the monthly payment amount for all Contract Capacity and Firm Energy delivered to PSE in a given month of the Delivery Period to be calculated as described in Section 3(b).
- (e) "Firm Capacity" means WSPP Schedule C Firm Capacity, which BPA has available as surplus and will make available to PSE, and PSE will purchase from BPA, in an amount up to the Contract Capacity.
- (f) "Firm Energy" means WSPP Schedule C Firm Energy that BPA has available as surplus and that has been purchased by PSE as requested.

- (g) "Federal System" means the Federal Columbia River Power System, including the Federal generating facilities for which BPA is designated as marketing agent, and any power or project capability BPA has purchased.
- (h) "Low Carbon Attributes" means environmental attributes consisting of emission reductions, reporting rights and avoided pollutants and carbon dioxide. One megawatt-hour (MWh) of energy generation from the Federal System is associated with one MWh of Low Carbon Attributes.
- (i) "Low Carbon Energy" means energy generated by the Federal System along with a small amount of market purchases. Low Carbon Energy delivered to PSE under this Agreement will be documented in accordance with Section 9 of this Agreement.
- (j) "Point of Delivery" means the point in BPA's Covington Substation, where the BPA 230 kV facilities interconnect with the facilities of PSE or any alternative points of delivery mutually agreed to by the Parties.
- (k) "Power Services" or "BPAP" means the organization or its successor within BPA that is responsible for the management and sale of BPA's Federal capacity and power.
- (l) "Transmission Services" or "BPAT" means the organization or its successor, within BPA that is responsible for the management and sale of BPA's transmission.
- (m) "WECC" means the Western Electricity Coordinating Council or its successor organizations.
- (n) "WECC Pre-Scheduling Day" means the WECC Pre-Scheduling Day prior to the delivery day or day(s) as defined by the most recent WECC Pre-Schedule calendar.
- (o) "WSPP" means WSPP Inc., a corporation organized in 1995 and duly existing under the Utah Revised Nonprofit Corporation Act that administers a multi-lateral, standardized agreement (WSPP Agreement) applicable to capacity and/or energy transactions between its members in the continental United States, Canada, and Mexico.

3. SALE OF CAPACITY, ENERGY, AND LOW CARBON ATTRIBUTES

- (a) **Contract Capacity Amount; Energy and Low Carbon Attributes**
BPA shall make available and PSE shall purchase 100 MW of Firm Capacity during the term of this Agreement. BPA shall make Firm Energy available to PSE on a pre schedule notice up to the capacity limit.

PSE schedules will be limited to a total of [REDACTED] each day, Monday – Saturday, excluding NERC holidays, and subject to the Scheduling procedure in Section 6. PSE may pre schedule the [REDACTED] of Firm Energy in [REDACTED] contiguous blocks during each Heavy Load Hour period. At PSE's request, BPA will deliver Firm Energy to PSE, as scheduled, up to the hourly Contract Capacity amount in any whole megawatt scheduling increment not to exceed the Contract Capacity.

Each PSE request under this section 3(a) shall be subject to the scheduling requirements as outlined above. BPA shall convey to PSE all Low Carbon Attributes and associated reporting rights, as defined in the WSPP Agreement, for all Firm Energy delivered to PSE under this Agreement.

(b) **Contract Price for Contract Capacity and Firm Energy**

The Contract Price of the monthly Contract Capacity and Firm Energy for any calendar month shall be calculated in accordance with the following methodology:

- (1) The benchmark monthly Contract Capacity price shall be the product of (a) \$[REDACTED]/kW-month, multiplied by (b) 1000 kW/MW, multiplied by (c) the Contract Capacity amount of 100 MW. For each BPA rate period of the contract, the embedded transmission portion (currently \$[REDACTED]/kW-mo) of the benchmark monthly Contract Capacity price shall be indexed to the monthly rate for BPA's published Long-term Point-to-Point (PTP) Transmission Service and Ancillary Service Schedules 1 & 2. As such, the embedded transmission portion of the benchmark monthly Contract Capacity price will be updated on the first day of each new BPA rate period during the contract term to reflect any changes to BPA's Long-term PTP and Ancillary Services Schedules 1 & 2 (\$[REDACTED]/kW-mo + rate period PTP rate and ASC Schedules 1 & 2).
- (2) For each hour that BPA delivers Firm Energy to PSE under this Agreement, the Firm Energy Price, expressed in \$/MWh, shall be the greater of
 - a. \$[REDACTED]/MWh or
 - b. [REDACTED]% of the applicable Powerdex hourly Mid-Columbia Index price for each hour that energy is delivered to the Point of Delivery as expressed in \$/MWh.
- (3) The Contract Price payment for each month during the delivery period shall equal the sum of (i) the product of the (a) Firm Energy delivered for each hour during the month multiplied by (b) the respective Firm Energy price for such hour, plus (ii) the Contract Capacity price for the month for all Firm Capacity at the price agreed upon as described in Subsection 3(b) above.

(c) **Loss of the Powerdex hourly Mid-Columbia Index**

In the event that the Powerdex hourly Mid-Columbia (Mid-C) index ceases to be published (or is published, but is consistently published with no volume) to establish the hourly price for the Firm Energy delivered by BPA pursuant to this Agreement and no replacement successor index is named, the Parties shall establish a synthetic hourly index based on the average of the four Fifteen Minute Market (FMM) Locational Marginal Price intervals for the (i) Scheduling Points / Tie Combination MALIN_5_N101/MALIN500 (California-Oregon Border (COB) and (ii) the FMM Locational Marginal Price intervals for the Scheduling Point DGAP_PSEI-APND. The use of this synthetic hourly index will only continue until an alternative northwest based hourly index (replacement index) is established that is acceptable to both Parties. The Parties mutually agree the synthetic hourly index is intended to be temporary and does not represent an agreed upon replacement index. As in Subsection 3(b)(2) above, the Firm Energy Price shall be the greater of \$/MWh or % of the applicable replacement Index price for each hour that energy is delivered to the Point of Delivery as expressed in \$/MWh. If the Parties are unable to agree on a replacement hourly index within 60 days after the synthetic index has been implemented, then either Party may refer the matter to dispute resolution pursuant to Section 34.1 of the WSPP Agreement. Once a replacement hourly index is agreed to, the hourly Contract Price for energy will start from the effective date of the replacement hourly index through the contract term.

4. **BILLING AND PAYMENT**

(a) **Billing**

BPA shall bill PSE each month for all Contract Capacity and Firm Energy delivered to PSE in the prior month during the Delivery Period. The issue date is the date BPA electronically sends the bill to PSE ("Issue Date"). PSE shall pay BPA for the amounts billed monthly via electronic funds transfer based on the calculation under Section 3 for the amounts of monthly Contract Capacity and Firm Energy delivered to the Point of Delivery.

Payment shall be made to BPA on or before the 20th day after the Issue Date of the bill (Due Date). If the Due Date falls on a non-Business Day, then the payment shall be due on the following Business Day.

(b) **Late Payments**

After the Due Date, a late payment charge equal to the higher of:

- (1) the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) plus four percent, divided by 365; or
- (2) the Prime Rate times 1.5, divided by 365;

shall be applied each calendar day to any unpaid balance.

(c) **Termination for Non-Payment**

If PSE has not paid its bill in full by the Due Date, it shall have 45 days to cure its nonpayment by making payment in full including all late payment charges. If PSE does not provide payment within three Business Days after receipt of an additional written notice from BPA after the 45 day cure period, then BPA may terminate this Agreement. Termination shall not relieve PSE of its payment and other obligation under this Agreement that have accrued prior to termination by BPA. In the event of termination of this Agreement by BPA, BPA may seek damages from PSE not to exceed the Contract Price as calculated in Section 3 above plus any applicable late payment charges under this Section 4.

(d) **Disputed Bills**

- (1) If PSE disputes any portion of a charge or credit on PSE's estimated or final bills, PSE shall provide written notice to BPA with a copy of the bill noting the disputed amounts. Notwithstanding whether any portion of the bill is in dispute, PSE shall pay the entire bill by the Due Date. This Section 4(d)(1) does not allow PSE to challenge the validity of any BPA rate with respect to any portion of a charge or credit on PSE's estimated or final bills.
- (2) Unpaid amounts on a bill (including both disputed and undisputed amounts) are subject to the late payment charges provided above. Notice of a disputed charge on a bill does not constitute BPA's agreement that a valid claim under contract law has been stated.
- (3) If the Parties agree, or if after a final determination of a dispute pursuant to Section 13, PSE is entitled to a refund of any portion of the disputed amount, then BPA shall make such refund with simple interest computed from the date of receipt of the disputed payment to the date the refund is made. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) divided by 365.

5. DELIVERY

- (a) BPA shall deliver the Contract Capacity and Firm Energy to the Point of Delivery.
- (b) Upon mutual agreement other points of delivery may be specified on an as needed basis, subject to the scheduling requirements stated in this Agreement.

- (c) The Contract Capacity and Firm Energy will include all required ancillary services, including operating reserves and line losses from the BPA system source point to the Point of Delivery.

6. SCHEDULING

(a) **Daily Schedule**

BPA will communicate details of its transmission arrangements to PSE, and PSE will submit an initial [REDACTED] Firm Energy schedule, including the specified Point of Delivery and associated transmission arrangements, to BPA for delivery ("Pre-Schedule Firm Energy"). PSE shall submit a Pre-Schedule Firm Energy Schedule by [REDACTED] on each [REDACTED] [REDACTED] or at such other times as mutually agreed between PSE and BPA. PSE shall schedule the Pre-Schedule Firm Energy with NERC electronic tags (e-tags) according to current prevailing WECC Pre-Scheduling provisions and protocols. PSE shall submit WECC Pre-Schedules directly into BPA's Integrated Scheduling, Allocation, After The Fact Calculation (ISAAC) scheduling portal.

(b) **Revisions**

In the event WECC, NERC, or their successors or assigns, revise or implement new requirements that conflict with Section 6(a), the Parties shall mutually amend Section 6(a) to comply with such requirements. If the Parties are unable to agree on an amendment to Section 6(a) to comply with the new requirements, then either Party may refer the matter to dispute resolution pursuant to Section 13 of this Agreement. The Parties shall have 90 days to reach a mutually agreed upon amendment. After that time period, either Party may terminate the Agreement by providing written notice to the other Party.

7. LIQUIDATED DAMAGES

If BPA fails to deliver Firm Energy to the Point of Delivery when scheduled by PSE in accordance with this Agreement, and such failure is not excused by an Uncontrollable Force, PSE shall be entitled to recover damages as outlined below.

Capacity Damages shall be equal to (A) [REDACTED]% of the Contract Capacity price multiplied by the Contract Capacity for seven (7) Business Days for the first unexcused failure to deliver in a calendar month, and (B) [REDACTED]% of the Contract Capacity price multiplied by the Contract Capacity for one month for the second unexcused failure to deliver in a calendar month.

In the event three (3) unexcused failures to deliver occur within a rolling twelve (12) month period or six (6) unexcused failures to deliver occur during the Delivery Period, PSE shall have the unilateral right to terminate the Agreement. Additionally, PSE shall be entitled to (i) recover damages as calculated under Section 21 of the WSPP Agreement with respect to Firm Energy and (ii) Capacity Damages for the balance of delivers no longer covered by the terminated contract.

8. UNCONTROLLABLE FORCES

Neither Party to this Agreement shall be in breach of its obligations to purchase or to provide Contract Capacity or Firm Energy to the extent that the failure to fulfill that obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control of, and without the fault or negligence of, the Party claiming the Uncontrollable Force that prevents that Party from performing its contractual obligations under this Agreement and which, by exercise of that Party's reasonable diligence and foresight, such Party could not be reasonably expected to avoid and was unable to avoid. Uncontrollable Forces include, but are not limited to:

- (a) any unplanned curtailment or interruption, failure or imminent failure of distribution, sub-transmission or transmission facilities owned, leased or used by PSE, including but not limited to unplanned maintenance outages;
- (b) any planned or unplanned transmission or distribution outage that affects either PSE or BPAP which was provided by a third-party transmission or distribution owner, or by a transmission provider, including BPAT, that is functionally separated from the generation provider in conformance with FERC Orders 888 and 889 or its successors, provided that BPAP has previously arranged for transmission and such outage prevents scheduling using such transmission and BPAP is unable to resupply from a mutually agreeable alternate source of power or deliver to a mutually agreeable alternate Point of Delivery;
- (c) strikes or work stoppage, including the threat of imminent strikes or work stoppage;
- (d) floods, earthquakes, or other natural disasters; and
- (e) orders or injunctions issued by any court having competent subject matter jurisdiction, or any order of an administrative officer which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court of competent subject matter jurisdiction.

Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

The Party claiming the Uncontrollable Force shall notify the other Party as soon as practicable of that Party's inability to meet its obligations under this Agreement due to an Uncontrollable Force. The Party claiming the Uncontrollable Force also agrees

to notify any control area involved in the scheduling of a transaction which may be curtailed due to an Uncontrollable Force.

Both Parties shall be excused from their respective obligations, other than from payment obligations incurred prior to the Uncontrollable Force, without liability to the other, for the duration of the Uncontrollable Force and the period reasonably required for the Party claiming the Uncontrollable Force, using due diligence, to restore its operations to conditions existing prior to the occurrence of the Uncontrollable Force.

9. ACS PROVISIONS AND WARRANTIES

BPA warrants that the product will be delivered from the Federal System and shall be Low Carbon Energy and meet all qualifications necessary for designation as ACS by the CARB and shall be designated as ACS power. If for some reason BPA is unable to provide ACS energy from our system, we will attempt to arrange for delivery of the requested amounts from another CARB certified ACS supplier. The exact ACS emission factor including carbon content will be documented and can be accessed at <https://ww2.arb.ca.gov/mrr-acs>.

10. ADDITIONAL REPRESENTATIONS AND WARRANTIES

BPA's sale of surplus power and surplus capacity under the terms of this Agreement is in compliance with all applicable Federal laws and regulations.

Each Party warrants and represents to the other that it possesses the necessary corporate, governmental and legal authority, right and power to enter into and agree to the terms of the Agreement and to perform each and every duty imposed, and that the Parties' agreement to buy and sell power under this Agreement represents a legal, binding, and valid Federal contract.

11. EVENTS OF DEFAULT AND TERMINATION

An "Event of Default" shall mean with respect to a Party ("Defaulting Party"):

- (a) the failure to pay set forth in Section 4(c) above;
- (b) the failure to have made accurate representations and warranties as required by Sections 9 and 10 above and such failure is not cured within five (5) Business Days after written notice thereof to the Defaulting Party;
- (c) In the event three (3) unexcused failures, as described in Section 7, to deliver occur within a rolling twelve (12) month period or six (6) unexcused failures to deliver occur during the Delivery Period, PSE shall have the unilateral right to terminate the Agreement.

12. NOTICES

Any notice required under this Agreement shall be in writing and shall be delivered: (a) in person; (b) by a nationally recognized delivery service; or (c) by United States Certified Mail, at the address set out in Exhibit B, Addresses for Delivery of Notices

and Billings. Notices are effective when received. Either Party may change its address for notices by giving notice of such change consistent with this section.

13. GOVERNING LAW AND DISPUTE RESOLUTION

(a) This Agreement shall be interpreted consistent with and governed by Federal law. Final actions subject to Section 9(e) of the Northwest Power Act are not subject to binding arbitration and shall remain within the exclusive jurisdiction of the United States Ninth Circuit Court of Appeals. Any dispute regarding any rights of the Parties under any BPA policy, including the implementation of such policy, shall not be subject to arbitration under this Agreement. PSE reserves the right to seek judicial resolution of any dispute arising under this Agreement in the state or federal courts of competent jurisdiction. For purposes of this Section 13, BPA policy means any written document adopted by BPA as a final action in a decision record or record of decision that establishes a policy of general application, or makes a determination under an applicable statute.

(b) Any contract dispute or contract issue between the Parties arising out of this Agreement, except for disputes that are excluded through Section 13(a) above, may be subject to non-binding arbitration by mutual agreement of the Parties. The Parties shall make a good faith effort to resolve such disputes before initiating voluntary arbitration proceedings or instituting any legal proceedings in court. During any non-binding arbitration, the Parties shall continue performance.

Until a dispute is resolved pursuant to the terms of this Section 13, PSE shall continue to perform in accordance with the final written decision of BPA's authorized representative for this Agreement. PSE shall not be deemed to have waived any of its rights under this Agreement, nor its right to dispute such determination as allowed by this Section 13, by performing in accordance with BPA's final decision.

(c) Any non-binding arbitration shall take place in Portland, Oregon, unless the Parties agree otherwise. The Conflict Prevention Resolution (CPR) Institute for Dispute Resolution's arbitration procedures for commercial arbitration, Non-Administered Arbitration Rules (CPR Rules), shall be used for each dispute; *provided, however*, that: (1) the Parties shall have the discovery rights provided in the Federal Rules of Civil Procedure unless the Parties agree otherwise; and (2) for claims of \$1 million or more, each arbitration shall be conducted by a panel of three neutral arbitrators. The Parties shall select the arbitrators from a list containing the names of 15 qualified individuals supplied by the CPR Institute for Dispute Resolution. If the Parties cannot agree upon three arbitrators on the list within 20 Business Days, the Parties shall take turns striking names from the list of proposed arbitrators. The Party initiating the arbitration shall take the first strike. This process shall be repeated until three arbitrators remain on the list, and

those individuals shall be designated as the arbitrators. For disputes involving less than \$1 million, a single neutral arbitrator shall be selected consistent with Section 6 of the CPR Rules.

- (d) If the Parties elect to pursue non-binding arbitration under this Section 13, the Parties shall draft and sign an agreement which shall meet the requirements of the Administrative Disputes Resolution Act of 1996, 5 U.S.C. §§ 571-584, including the requirements to set forth the precise issue in dispute, the amount in controversy and the maximum monetary award allowed. Under no circumstances shall specific performance be an available remedy against BPA in non-binding arbitration.
- (e) Each Party shall be responsible for its own costs of non-binding arbitration, including legal fees. The arbitrators may apportion all other costs of arbitration between the Parties in such manner as they deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

14. STANDARD PROVISIONS

(a) **Amendments**

No oral or written amendment, rescission, waiver, modification, or other change of this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

(b) **Assignment**

This Agreement is binding on any successors and assigns of the Parties. BPA may assign this Agreement to another Federal agency to which BPA's statutory duties have been transferred. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld. BPA shall consider any request for assignment consistent with applicable BPA statutes and policies.

(c) **Information Exchange and Confidentiality**

The Parties shall provide each other with any information that is reasonably required, and requested by either Party in writing, to operate under and administer this Agreement, including information needed to resolve billing disputes, scheduling and metering information reasonably necessary to prepare power bills not otherwise available to the requesting Party. Such information shall be provided in a timely manner. Information may be exchanged by any means agreed to by the Parties. If such information is subject to a privilege of confidentiality, a confidentiality agreement or statutory restriction under state or Federal law on its disclosure by a Party to this Agreement; then that Party shall endeavor to obtain whatever consents, releases, or agreements are necessary from the person holding the privilege to provide such information while asserting the confidentiality over the

information. Information provided to BPA which is subject to a privilege of confidentiality or nondisclosure shall be clearly marked as such and BPA shall not disclose such information without obtaining the consent of the person or Party asserting the privilege, consistent with BPA's obligation under the Freedom of Information Act. BPA may use such information as necessary to provide service or timely bill for service under this Agreement. BPA shall only disclose information received under this provision to BPA employees who need the information for purposes of this Agreement. PSE shall have the right to provide information regarding this Agreement and capacity and energy provided by BPA under this Agreement to applicable state and federal regulatory bodies, including but not limited to the Washington Utilities & Transportation Commission ("UTC") and to parties in regulatory proceedings required for PSE to recover the costs associated with the Product before the UTC. Any information shared shall be made available subject to a protective order or similar protections from public disclosure.

(d) **Entire Agreement**

This Agreement, including all provisions, exhibits incorporated as part of this Agreement, and documents incorporated by reference, constitutes the entire agreement between the Parties. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement. To the extent not already provided for in this Agreement, the terms and conditions of the WSPP Agreement shall govern this Agreement. Except as explicitly stated in Section 2, to the extent there is a conflict between this Agreement and the WSPP Agreement, this Agreement shall control.

(e) **No Third-Party Beneficiaries**

This Agreement is made and entered into for the sole protection and legal benefit of the Parties, and no other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with this Agreement.

(f) **Waivers**

Any waiver at any time by either Party to this Agreement of its rights with respect to any default or any other matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

(g) **Severability**

If any term of this Agreement is found to be invalid by a court of competent jurisdiction then such term shall remain in force to the maximum extent permitted by law. All other terms shall remain in force unless that term is determined not to be severable from all other provisions of this Agreement by such court.

(h) **Hold Harmless**


Each Party assumes all liability for injury or damage to persons or property arising from the act or negligence of its own employees, agents, members of governing bodies, or contractors. Each Party shall indemnify and hold the other Party harmless from any liability arising from such act or negligence.

In no event will either Party be liable under this Agreement to the other Party for damage that results from any sudden, unexpected, changed, or abnormal electrical condition occurring in or on any electric system, regardless of ownership.

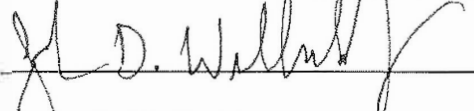
15. **SIGNATURES**

The signatories represent that they are authorized to enter into this Agreement on behalf of the party for whom they sign.

**PUGET SOUND ENERGY
COMPANY**

By  SIGNING
FOR
Name David Mills
(Print/Type)
Title Sr VP Policy and Energy
Supply
Date 3 MARCH 2020

**UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration**

By 
Name John D. Wellschlager
(Print/Type)
Title Customer Account Executive
Date 2/20/2020

**Exhibit A
(Example Report)**

a. Identity of Source:
The following (i) facility, generator, unit or (ii) ACS system ("Source"): BPA ACS System
Source CARB IDs, if applicable and available: ARB ID #4000
California Energy Commission RPS ID, if Source is an ERR: N/A
WREGIS ID#, if applicable: N/A
b. Source EF_{sp}:
The BPA 20xx ACS Emission Factor posted on the California Air Resources Board website: https://ww2.arb.ca.gov/mrr-acs
c. Carbon Adjustment (rapid settlement if Seller delivers higher emissions factor energy than agreed): Carbon Adjustment applies unless the following box is checked:
<input type="checkbox"/> Carbon Adjustment does not apply and instead of Carbon Adjustment, Seller shall compensate Purchaser as follows, in addition to Purchaser's remedies in Section 21 of the WSPP Agreement, if Seller fails to schedule and deliver energy from the Source unless excused pursuant to the terms of the applicable Schedule or this Confirmation: <i>[e.g., fixed damages of \$0, \$2, or % of Carbon Adjustment.]</i>
d. EF True-Up (full indemnity for difference between agreed and CARB-assigned emissions factors, settled after verification): EF True-Up does not apply unless one or more of the following boxes that are checked cause a change to EF _{sp} or EF _{asn} :
<input type="checkbox"/> Change in generator operations or fuel source.
<input type="checkbox"/> Prospective or retroactive change in law (including AB32).
<input type="checkbox"/> Other, as follows:
<input type="checkbox"/> All other circumstances.
<input type="checkbox"/> EF True Up damages are limited as follows: <i>[e.g., caps]</i>
e. RECs Disclosure (not applicable for an ACS system Source): Seller represents and warrants that the Source is not an ERR, unless the box is checked below. This is a disclosure, not an option, and failure to check this box does not excuse performance if the Source is or becomes an ERR.
<input type="checkbox"/> The Source is an ERR, and Section 6.c therefore applies.
f. Regulation Incorporation: This transaction is not Regulation Incorporation unless the following box is checked:
<input type="checkbox"/> This transaction is Regulation Incorporation and Section 6.e applies.
g. Additional provisions:
When Purchaser resells the energy purchased under this Confirmation or imports such energy into California, Purchaser will endeavor to populate the NERC e-tag with a token/value of GHG/4000 designation in the Miscellaneous Info Field of the Market Path where BPAP01 is listed as the PSE. This GHG/4000 designation is voluntary and errors are not means for financial or carbon allowance damages.

Exhibit B

1. Administrative Contacts

If to PSE:

Puget Sound Energy
2380 116th Ave NE Suite 201 mailstop:
VEROFC
Bellevue, Washington 98004
Attn: Power Supply Operations
Phone: (425) 462-3622
FAX: 425-457-5213
E-Mail: RealTimeTraders-list@pse.com

If to BPAP:

Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621
Attn: John Wellschlager – PTL-5
Customer Account Executive
Phone: 503-230-5944
FAX: 503-230-3681
E-Mail: jdwellschlager@bpa.gov

With copies to:

Puget Sound Energy
2380 116th Ave NE Suite 201 mailstop: VEROFC
Bellevue, Washington 98004
Attn: Energy & Derivative Accounting

2. Billing and Settlements Contacts

Puget Sound Energy
2380 116th Ave NE Suite 201 mailstop: VEROFC
Bellevue, Washington 98004
Attn: Energy & Derivative Accounting
E-Mail: pwrgas@pse.com

3. BPA Operations Contacts

Pre-Schedule Desk
Phone: 503-464-7067

Pre-Schedule Desk
Phone: 503-230-3813

Real-Time Desk
Phone: 503-464-7410

Real-Time Desk
Phone: 503-230-3341

ISAAC Support
Phone: 503-230-3977