

SCHEDULE 87
AVISTA SOLAR SELECT PROGRAM SERVICE AGREEMENT

THIS **AVISTA SOLAR SELECT PROGRAM SERVICE AGREEMENT** ("Service Agreement"), dated as of _____, is made and entered into by and between _____, a Schedule _____ Customer (the "Customer") and AVISTA CORPORATION, a Washington Corporation, (the "Company" or "Avista"), for service under the Company's Electric Washington Tariff Schedule 87.

RECITALS

- A. The Company is a public service company engaged in the sale and delivery of electric energy pursuant to its Washington Electric Tariff.
- B. Customer is receiving electric service under Schedule 21, 25, or 31 of the Company's Washington Electric Tariff and Customer desires to participate in the Company's Solar Select Energy program ("Solar Select Program") offered under Schedule 87 of the Company's Washington Electric Tariff.
- C. Customer has expressed interest in subscribing to the Solar Select Program by completing an Enrollment Request, attached to this Service Agreement as Exhibit A, in order to satisfy some or all of its renewable energy goals and receive any eligible state incentives.
- D. The Parties agree that renewable energy production from the solar facility, approximately 28 megawatts – Direct Current ("DC") and located in Adams County near Lind, Washington (the "Solar Facility"), will meet these criteria, and the Parties thus now agree to enter into this Service Agreement.

AGREEMENT

- 1. **Term.** The term of this Service Agreement is 8 years ("Term") which shall commence following the date Avista declares Commercial Operation (expected in December 2018) of the Solar Facility ("Effective Date"). For purposes of this Agreement "Commercial Operation" means when the Solar Facility is online and producing energy. This Service Agreement is expressly conditioned upon the development and Commercial Operation of the Solar Facility and this Service Agreement shall only become effective on the date that Avista has provided written notice to Customer that the Solar Facility has achieved Commercial Operation.
- 2. **Purchase.** The Company will sell, and the Customer will purchase from the Company solar energy in a percentage amount provided in Exhibit A pursuant to the contracted rates described in below in Section 3. In the event Customer wants to increase its percentage of solar energy during the Term of this Service Agreement, Company may provide additional solar energy subject to availability and by written amendment executed by both Parties. The Customer acknowledges that this Service Agreement is subject to the Program Requirements set forth in Exhibit B, including the eligibility and availability of state incentives.

- 3. Rates.** Schedule 87 rates are in addition to all charges under the Customer's existing Electric Service schedule. Schedule 87 rates include a charge per kWh for the contracted energy percentage as outlined in subsection (b) below ("Solar Resource Charge") and a credit for the energy-related power cost component of the energy charge set forth in Schedule 21, 25 or 31 of the Electric Tariff under which the Customer is taking electric service ("Solar Resource Credit").

(a) The Solar Resource Credit will be \$0.0298/kWh for Schedule 21 Customers, \$0.0271/kWh for Schedule 25 Customers, and \$0.0266 for Schedule 31 Customers.

(b) The Solar Resource Charge of \$0.05291 will be applied throughout the term of this Service Agreement.
- 4. Renewable Energy Credits.** The Company will receive the Renewable Energy Credits ("REC's") that are created with the electricity production, and associated with Customers individual share of solar energy, and will retire the REC's on Customers behalf. Upon Customer's request, the Company will send a certification documenting Customer's pro-rata share of the solar energy on an annual basis.
- 5. State Incentives.** Company will provide the documentation that it has in its possession, or assist Customer with information necessary for Customers to apply with the State of Washington for solar incentives associated with the Solar Facility under the Engrossed Substitute Senate Bill 5939 ("ESSB" 5939"). All incentives will be provided only in accordance with ESSB 5939 and the Program Requirements set forth in Exhibit B.
- 6. Customer Information and Billing.** The Customer requests service under this Service Agreement for the service addresses, account numbers and meter numbers listed in Exhibit A. In the event any Customer Information changes, the Parties shall execute a written amendment reflecting such change. Charges, credits and any applicable state incentives associated with Customer's subscription to the Solar Facility will appear on the Customer's monthly statement.
- 7. Termination.**

(a) This Service Agreement terminates automatically 8 years from the Effective Date of this Agreement ("Termination Date").

(b) In the event either party fails to fulfill its obligations under this Service Agreement and such failure continues for more than thirty (30) days after written notice by non-defaulting party of such failure, then the non-defaulting party may terminate this Service Agreement without penalty.

(c) In the event Customer's utility service at the locations designated in Exhibit A terminates for any reason including, but not limited to, abandonment of the utility service location or non-payment of amounts due on Customer's utility account, and Customer fails to comply with Section 10 within the time periods set forth in this Service Agreement, then as of the time of termination at the utility service location, Customer will cease to receive any bill credits or other benefits in connection with this Service Agreement.

(d) Avista may immediately terminate this Service Agreement upon written notice to Customer if there is a change of law, regulation or funding that impacts Avista's ability to continue the Solar Select Program as set forth in this Agreement or if for any reason the Solar Facility is unable to satisfy the requirements of this Service Agreement or the Solar Select program.

8. **Early Exit Fee.** Customers may elect to terminate this Service Agreement prior to the Termination Date with 60 days' written notice to the Company. Customers who choose to terminate this Service Agreement prior to the Termination Date will be charged for the net cost of the estimated remaining solar energy that was to be delivered to the Customer under the remaining term of the Service Agreement. The formula for calculating the Early Exit Fee is set forth below:

The Early Exit fee will be calculated by taking the present value of the remaining forecasted energy obligation of the Service Agreement, multiplied by the Solar Resource Charge minus the Solar Resource Credit. In the event the Service Agreement is terminated prior to a calendar year, the forecasted amount of the Customer's annual solar energy commitment will be estimated based upon the time period from the Effective Date to the date of termination.

This fee is not intended to be a penalty, but instead is calculated based upon the estimate of the positive net difference between what the Customer would have paid for their solar energy percentage and the amount Avista would have been able to sell the percentage of solar energy for had the Customer not terminated prior to the Termination Date.

9. **Dispute Resolution.**

(a) In the event Customer disputes the amount of any credits or charges under this Service Agreement, or has questions or concerns about the Avista Solar Select Program, Customers may call Customer Service at (800) 936-6629. If further follow-up is required, Customers must provide Avista with written notice explaining the dispute, along with documentation sufficient to support a claim. Avista will consider properly submitted claims and respond in writing within fifteen (15) days of receiving the notice of dispute ("Dispute Period").

(b) If Customer is dissatisfied with the resolution of a dispute, Customers also have a right to file an informal or formal complaint with the Commission by contacting the Consumer Affairs section of the WUTC at 1-888-333-9882 or complete an online complaint form at www.utc.wa.gov. Avista will take no other action to enforce this Service Agreement until any complaint filed with the Commission is resolved.

10. **Assignment.** Customers may assign this Service Agreement to another Avista utility customer that meets the requirements of the Solar Select Program. As a condition of any such assignment, the Customer and the proposed assignee shall provide Avista with all requested documentation and information related to the assignment, including, but not limited to, the new customer's name, address, email address, fax number, and utility account number. Upon receipt of such documents and information, Avista will prepare an agreement similar to this Service Agreement for execution by the new customer, except that the new term shall be only the remaining term under this Service Agreement. Upon execution of such new agreement, this

Service Agreement will terminate with no penalty to Customer for early termination. Customer acknowledges and agrees that Avista has no obligation to assist Customers in identifying or qualifying any potential new customer to whom Customer wishes to assign this Service Agreement to. In the event that Customer elects to terminate this Service Agreement without assigning it to an eligible utility customer prior to the Termination Date, early exit fees pursuant to Section 8 of this Service Agreement may be imposed on Customer.

11. **Customer Relocation.** Customer agrees that, if during the term of this Service Agreement Customer's utility service location changes to a new location in Washington that is served by Avista, Customer will take all necessary steps and provide all information and documentation required by Avista to substitute the new service location, and this Service Agreement shall continue in full force and effect. The Parties will execute an amendment to this Service Agreement to reflect such relocation.
12. **Solar Energy Availability.** Customer understands that the solar energy output associated with the Solar Facility may fluctuate from time to time based upon weather, seasonality, degradation and other conditions that affect the production capability beyond Avista's control, and that the expected annual production of the Solar Facility is an estimate of solar panel capability under ideal conditions, which may not occur.
13. **Credit.** Customer authorizes Company to run a credit report on Customer and/or request audited financial statements for the purpose of determining the Customer's creditworthiness for this service.
14. **Energy Efficiency Services.** The Customer and the Company will continue to work together on mutually beneficial energy efficiency projects which will reduce energy demand on an annual basis. In the event the Customer's overall energy load decreases due to such energy efficiency projects then this Service Agreement will be amended to reflect the decrease.
15. **Governing Law.** This Service Agreement will be governed by and interpreted, construed and enforced in accordance with the laws of the State of Washington.
16. **Notices.** In the event that any notice or other communication is required or permitted to be given hereunder, such notice or communications will be in writing and may be delivered in person or sent by certified mail, overnight courier or transmitted by facsimile to the address of the addressee as specified below. Except as otherwise provided, all such notices or other communications will be deemed to have been duly given and received upon receipt.

To Avista:

Avista Corporation
1411 E Mission, MSC-18, Spokane, WA 99220
Attn: Solar Select Program Administrator
Phone/Fax: 509-777-5629

To Customer: As set forth in Exhibit A.

17. **Customer Information.** Customer Information may be requested from either Avista or its

authorized contractor including, but not limited to, customer name, address, billing address, utility service location, email address, fax number, and utility account number other such information. To enable Avista to carry out the terms of this Service Agreement, Customer hereby authorizes Avista to share its Customer Information with its authorized contractor. All authorized contractors for Avista are required to sign agreements with confidentiality and privacy terms to protect Customer Information.

18. Reporting. Customer authorizes Avista to use its name for reporting purposes, such as official reporting to governmental authorities, public utility commissions and similar organizations.

19. Force Majeure. Neither Company or Customer shall be considered to be in breach or default of its obligations under this Service Agreement to the extent that performance of such obligations is delayed or prevented, directly or indirectly, due to: causes beyond its reasonable control, acts of God, acts (or failures to act) of governmental authorities, fires, unusually severe weather conditions, earthquakes, floods, war (declared or undeclared), epidemics, civil unrest, or riot.

If delay excused by this Section extends for more than sixty (60) days and the parties have not agreed upon a revised basis for continuing the obligations under this Service Agreement at the end of the delay, then either Party, upon thirty (30) days written notice, may terminate this Service Agreement without penalty.

20. No Partnership. Nothing contained in this Service Agreement will constitute either party to this Service Agreement as a joint venturer, employee, or partner of the other, or render either party to this Service Agreement liable for any debts, obligations, acts, omissions, representations, or contracts of the other, including, without limitation Customer’s obligations to Avista for electric service.

21. Exhibits

Exhibit A- Avista Solar Select Program (Schedule 87) Enrollment Request
Exhibit B- Program Requirements

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

AVISTA CORPORATION

By _____

Its _____

CUSTOMER

By _____

Its _____

DRAFT

EXHIBIT A
Attached Enrollment Request

EXHIBIT B
Program requirements

1. Eligible Customers must:

- a. Be an Avista Washington electric retail commercial or industrial customer under Schedules 21, 25 or 31;
- b. Have electric service; (Gas only customers are not eligible)

2. Bill Credits: All customer credits will be made through monthly bill credits. No cash or check(s) will be provided by Avista.

3. In the event Avista determines the estimated energy bill information provided by Customer is incorrect after the initial enrollment, the percentage of the solar energy subscribed to by Customer in Exhibit A may be changed and Exhibit A will be amended to reflect such change.