



Puget Sound Energy  
P.O. Box 97034  
Bellevue, WA 98009-9734  
PSE.com

October 9, 2020

Holly Lahd  
Lead Program Manager  
Energy & Sustainability  
Target  
33 South 6<sup>th</sup> St., CC-2805  
Minneapolis, MN 55402

**Re: Second Amendment to Schedule 139 Voluntary Long Term Renewable Energy Service Agreement**

Dear Ms. Lahd:

Puget Sound Energy ("PSE") and Target ("Customer") previously entered into that certain Schedule 139 Voluntary Long Term Renewable Energy Service Agreement, dated as of January 27<sup>th</sup>, 2017 between PSE and Customer (the "Service Agreement"). PSE and Customer also previously entered into that certain First Amendment to the Schedule 139 Voluntary Long Term Renewable Energy Service Agreement, dated as of March 12, 2019 between PSE and Customer (the "First Amendment"). Subsequent to the execution of the Service Agreement, the Washington Utilities and Transportation Commission (the "Commission") approved Resource Option Energy Charges under PSE's Schedule No. 139 Voluntary Long-Term Renewable Energy Purchase Rider ("Schedule 139").

PSE desires to amend the Service Agreement, as amended and revised by the First Amendment, as set forth herein to reflect these revisions to Schedule 139 approved by the Commission, which revisions have the effect of reducing Resource Option Energy Charges under the Service Agreement for calendar years beginning 2020, and adjusting the start of the terms to reflect the actual start date in November 2020.

This Second Amendment to the Service Agreement (the "Second Amendment") confirms the mutually agreed upon updates to the Service Agreement that are consistent with the revisions to Schedule 139 approved by the Commission.

1. Section 6 of the Service Agreement is amended in its entirety and replaced with the following Section 6:
  6. Term. The term of this Service Agreement shall commence in calendar year 2020, on the first day of the Customer's normal billing cycle, in the first month following

the commencement of commercial operation of the Resource Option, and delivery therefrom of energy to the Company sufficient to satisfy the obligations set forth in this Service Agreement. This Service Agreement terminates in calendar year 2035 after 10 billing cycles during such calendar year.

2. Table 1 in Section 7 of the Service Agreement is amended in its entirety to read as follows:

**Table 1. 15-Year Pricing**

|                      |           |           |           |           |           |           |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Calendar Year</b> | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      |
| <b>Rate per kWh</b>  | \$0.04340 | \$0.04427 | \$0.04516 | \$0.04606 | \$0.04698 | \$0.04792 |

|                      |           |           |           |           |           |           |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Calendar Year</b> | 2026      | 2027      | 2028      | 2029      | 2030      | 2031      |
| <b>Rate per kWh</b>  | \$0.04888 | \$0.04986 | \$0.05086 | \$0.05187 | \$0.05291 | \$0.05397 |

|                      |           |           |           |           |
|----------------------|-----------|-----------|-----------|-----------|
| <b>Calendar Year</b> | 2032      | 2033      | 2034      | 2035      |
| <b>Rate per kWh</b>  | \$0.05505 | \$0.05615 | \$0.05727 | \$0.05842 |

2. Capitalized terms used in but not otherwise defined in this Second Amendment have the meanings given to such terms in the Service Agreement.
3. Except as amended by this Second Amendment, the Service Agreement, as amended and revised by the First Amendment, is hereby ratified and confirmed in all respects and shall continue in full force and effect according to its terms.
4. This Second Amendment will be governed by and interpreted, construed and enforced in accordance with the law of the State of Washington.
5. This Second Amendment may be executed by in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. A signed copy of this Second Amendment delivered by means of a facsimile machine or electronic transmission in portable document format (pdf) shall be treated in all manner and respects as an original signed version thereof delivered in person.

Please indicate your acceptance of the foregoing by signing and returning the enclosed copy of this letter.

Very truly yours,

**PUGET SOUND ENERGY**

By: Walter Buxton  
Title: Director Product Development

**AGREED AND ACKNOWLEDGED:**

**TARGET**

By: Holly Lahd  
Holly Lahd (Oct 28, 2020 13:52 CDT)  
Name: Holly Lahd  
Title: Lead Program Manager - Energy & Sustainability  
Date Signed: October 28th, 2020